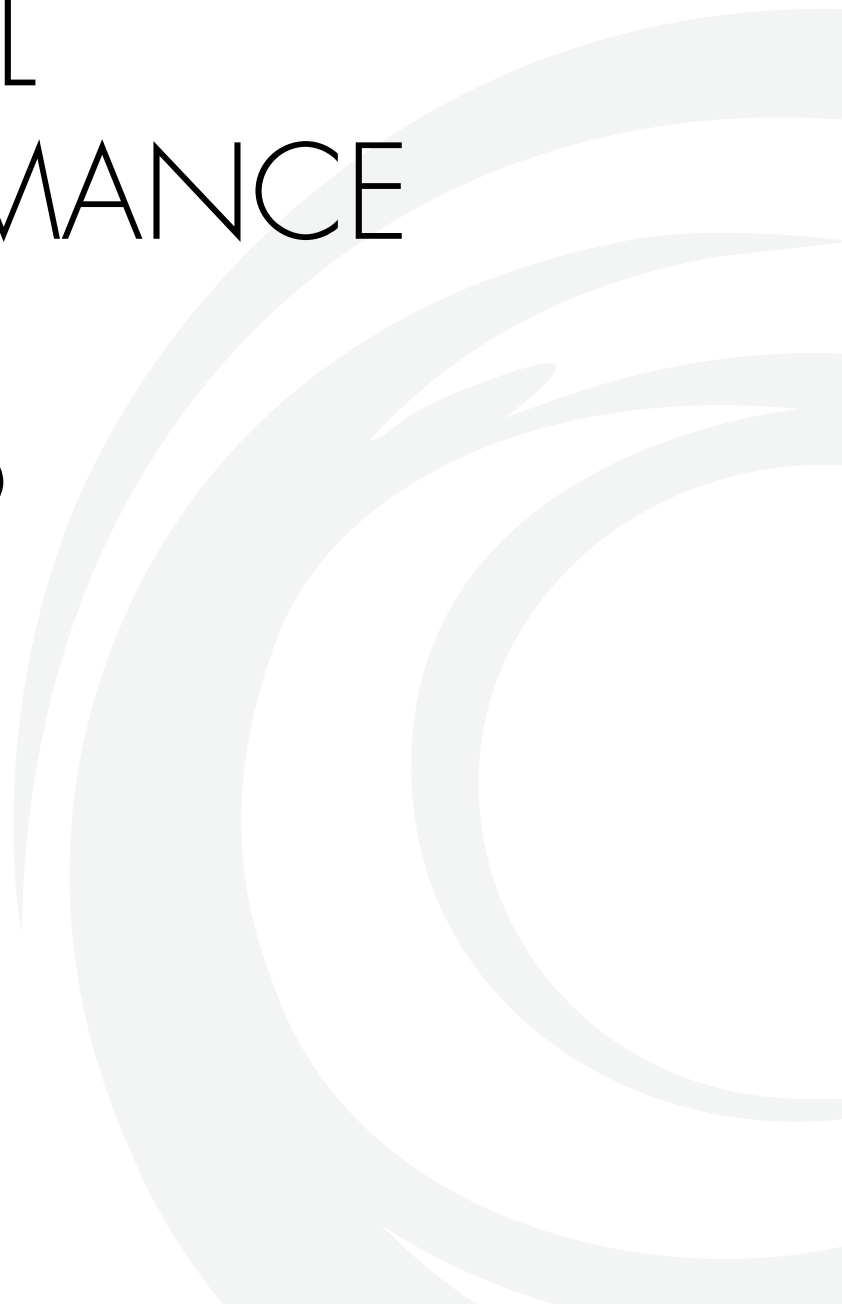


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To obtain additional information and /or copies of this document, please contact:

Western Cape department of Economic Development and Tourism
Office of the Chief Financial Officer
PO Box 979
Cape Town
8000

9th Floor
Waldorf Building
80 St Georges Mall
Cape Town
8000

Tel: (021) 483 9138
Fax: (021) 483 3010
E-mail: myabraha@pgwc.gov.za

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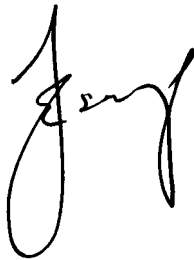
In his State of the Nation Address in Parliament in February 2007, the President said that "None of the great social problems we have to solve is capable of resolution outside the context of the creation of jobs and the alleviation and eradication of poverty". The Western Cape's recent growth has been higher than the national average – an estimated 5,5% compared to South Africa's 5% GDP growth. However, the provincial growth path, like the national trends, has yielded mixed results for poor people and the gap between the wealthy and the poor is widening. Clearly, while growth of the economy remains a critical pillar of the department's Micro-economic Development Strategy (MEDS), we need to ensure that the growth is both broad-based and shared amongst a wider spectrum of people.

Within these contextualising imperatives, the second economy will permeate through all our interventions and initiatives. In the coming year, the department will deepen government's understanding of the second economy and begin to implement a focused set of interventions which will facilitate the transition to the formal economy through skills development, sector development, fair business environment, and enterprise support. The Department of Economic Development has thus prioritized the following objectives in 2008/2009:

- a. **Skills interventions.** Skills remain one of the critical barriers to the growth of the provincial economy and more specifically for the MEDS areas of focus. Skills development constitutes one of the department's primary vehicles for taking the currently unemployed youth into the realm of the formal economy, and we are ensuring optimal employment through strengthening and linking the skills interventions with the demands and capacity needs of our growth industries and sectors. The department's interventions in this regard will be deepened over 2008/2009.
- b. **Enterprise development.** The department will continue to nurture and facilitate entrepreneurship and the growth and sustainability of Small and Medium Enterprises (SMEs) across the entire economy of the Western Cape. In particular, we will be harnessing, consolidating and where appropriate, expanding our current support interventions. In addressing the challenges faced by the second economy, there will be a focus on supporting vibrant entrepreneurial activity within the informal economy, with the intention of maximizing the transition towards the formal economy, quality jobs and sustainable SMEs.
- c. **Sector support.** The MEDS has identified sectors that have demonstrated the greatest potential to grow and to create jobs. The priority sectors are tourism, BPO, ICT, oil and gas, and creative industries, and the significant sectors are metals and engineering, boat-building, clothing and textiles and agro-processing. The broad interventions for these sectors seek to accelerate growth and strengthen industry clusters, to strengthen competitiveness and skills development, and to broaden and strengthen the base of economic participation and SME support within the sectors.
- d. **Transformation of the liquor industry.** The new provincial liquor act will be implemented, seeking to address the issue of unlicensed liquor traders ("shebeens") through an exemption provision which has been incorporated in the legislation. Furthermore, initiatives will be launched to mainstream these businesses through training, provision of finance and business support, and identifying and linking these businesses to opportunities presented by the staging of 2010 FIFA Soccer World Cup events in the Western Cape. At the same time, in acknowledging our responsibility as the regulating authority for liquor in the province, a fund for combating the social ills of liquor trading and consumption will be established.
- e. **Creative precincts in the Premier's 21 areas of priority.** Within the spatial focus provided by the Premier's 21 areas, the department has undertaken an initiative which will use creative sectors and nuanced coordinated creative industries plans and initiatives therein as a MEDS catalyst for accelerated and shared growth within the targeted communities. Within this programme, the department will facilitate the development of dynamic commercial spaces within the 21 areas for the development and growth of not only creative sectors, but for the stimulation of diverse economically viable activities within the townships by emerging entrepreneurs. A key emphasis within 2008/2009 will be the collaboration with various stakeholders, including provincial and local government, communities and industry players, to ensure that we maximize impact, harness resources and align initiatives. Moreover, the precincts will provide focus for the integration of the broad range of departmental programmes and interventions.

- f. **Cape catalytic projects.** The absence of an institutional vehicle to drive and implement short-term, crosscutting mega-projects has been identified as a major gap in the institutional review process. The realization of these mega-projects would have a profound impact on the growth trajectory of the province, significantly improving the overall competitiveness of the economy. However, the current institutional makeup and skills set does not allow the department to implement these catalytic initiatives. Interventions which have been identified thus far by the MEDS research, include telecommunications infrastructure and the development of the port of Cape Town for the maritime industry. In the coming year, the department will be looking at the establishment of focused Cape catalytic project units, possibly through adaptation of current institutional frameworks.

The budget vote aims to build a strong and competitive economy, the benefits of which are shared by all.



TASNEEM ESSOP

Minister Of Environment, Planning And Economic Development

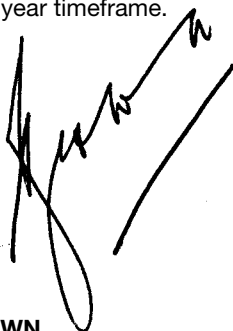
The Accelerated Shared Growth Initiative of South Africa (ASGISA), the Provincial Growth and Development Strategy, (PGDS) and the MEDS have identified tourism as a key priority sector for accelerated growth and BBBEE. The MEDS Synthesis Report of July 2006 confirms that the Western Cape is often viewed as South Africa's most developed tourism region, with GRP at 10%. Therefore, tourism is a sector with the potential to create many more jobs and alleviate poverty.

This budget vote aims to build a strong and competitive sector that achieves the key objectives of growing and transforming the tourism industry. In our plans to meet the national and provincial priorities of accelerated and shared growth for our province, the key priorities are as follow:

1. The development and implementation of targeted and cost effective programmes by the destination marketing organisation. This will include world-class tourism development and marketing strategies for long-haul and medium-haul destinations in general and for Cape Town and the Western Cape in particular, and a world-class tourism development and marketing strategy for making Cape Town and the Western Cape the most desired destination for visitors from the rest of SA and SADC.
2. The development of a tourism BBBEE transformation strategy and implementation plan that promotes representivity and inclusiveness in the areas of control, ownership, management and equity, drives transformation within large tourism organizations, uses the Tourism BEE Charter and Score Card to effect transformation of established tourism businesses, and promotes tourism economic empowerment with the emphasis on the following designated groups: blacks, women, the youth, rural people, disabled people and workers.
3. The development of a vigorous tourism human resources development programme to develop an appropriately skilled and highly productive workforce. This will include the implementation of skills development programmes and ensure that employers maximize opportunities for employee development.
4. The development of tourism sites, attractions, routes and infrastructure which is guided by the reworked version of the ITDF (Integrated Tourism Development Framework) and is incorporated as the drill down information supporting the Western Cape Tourism Development Framework.
5. Up scaling the tourism tiered support system programme by intensifying the depth and breadth of our participatory interventions in enterprise development to address the needs of the full spectrum of entrepreneurs. These interventions will also promote local tourism development and will be linked to other departmental and provincial intervention strategies such as the Plek Plan.

Our priority interventions are facilitated and enhanced through the following mechanisms:

- the established Western Cape Tourism Development Partnership which is made up of the four social partners, namely the government, business, labour and civil society to ensure joint provincial tourism planning, budgeting and implementation, and
- the Western Cape Tourism Development Framework which is the destination vision and strategy for tourism in the Western Cape, and has defined targets and outcomes that needs to be achieved over a ten-year timeframe.



LYNNE BROWN

Minister Of Finance And Tourism



1. OVERVIEW OF STRATEGIC PLAN

In 2004/2005 the department embarked upon the MEDS, a process that was inspired and guided by the president's Micro-economic Reform Programme and the iKapa Elihlumayo Strategy. The initial part of the MEDS was primarily research-based, with substantial emphasis placed on improving understanding of the regional economy and the dynamic thrusts of the industries and economic forces which shape and stimulate its growth. The research also suggested a range of various policy options available to the provincial government, and applied a range of analytical and econometric modeling tools to determine the optimal prioritization of sectors and themes. This provided the department with a mechanism to direct and maximize its impact on the economy within its budget envelope. This intense and groundbreaking research was coupled with the restructuring of the department to allow for management and application of the MEDS.

Guided by the body of MEDS research, the department, through a thorough process of strategic consultative sessions with social partners, developed sector and thematic strategies and initiated the first applied phase of the MEDS.

The financial year 2008/2009 will see the maturing of the MEDS programmes and projects within the first wave of MEDS interventions. As resources become available, the department will undertake the next phase, both in terms of building capacity as well as undertaking the next round of interventions to achieve the Millennium Goals and the iKapa Elihlumayo vision. This will be preceded by an assessment of phase 1, to strengthen and refine MEDS interventions, and where relevant, expand best practice and high-impact MEDS initiatives.

The key programmes and priority interventions of the Department within 2008/2009 relate to the following themes:

Spatial translation of the MEDS/commercial precincts and creative streets. The MEDS sectors provide the departure point for stimulating economic activity within previously disadvantaged communities and for the structurally unemployed. In addition to identifying established industries with growth potential within municipalities, the department will be developing commercial hubs within townships. The locational focus of these commercial hubs is aided by the Premier's 21 areas of priority, and the primary sectors (although not exclusively) identified to stimulate growth and investment are the creative industries and tourism, with the crowding in of other DEDT and provincial interventions into the precincts. This will be further complemented by the Plek Plan and the Rural Economic Assistance Fund (REAF) within the six municipalities.

Informal economy. Ten percent of our labour force is employed by the informal economy, compared to 15 to 20% in other provinces, signaling that the province must facilitate a more nurturing, dynamic, environment for the participants of the informal economy. The department will be intensifying its research and understanding of the second economy within the Western Cape, spearheading greater synergies among provincial departments, second economy projects, building capacity to provide supportive, rigorous oversight to the regulatory business environment within the local government ambits, particularly as it relates to improving conditions for informal traders and businesses, and providing generic and sector support for the transition of second economy survivalists and entrepreneurs into the formal economy.

Enterprise development. The department will strengthen and broaden its service offerings and enable infrastructure within enterprise development, including its flagship Real Enterprise Development (RED) Initiative. This comprises eleven Red Doors and five mobile Red Doors, the Red Campus, Red Tracker, Red Product Development, and complementary interventions such as the BEE Implementation Strategy, the Co-operative Support Project and the Rural Business Development Programme to address the needs of SMEs. The strengthening and refinement of these interventions will be coupled with an analysis of all stakeholders' support offerings to SMEs within the province to determine gaps, duplication, and best practice, and will serve as the basis of engagement within the SME support network forum.

Skills development. Human resource development is central to any sustainable process of socio-economic development. Its critical importance is all the more evident in South Africa, because the education and training systems have far from recovered from the damage inflicted by apartheid. The department has established the framework for skills development within the priority sectors with the development of sector skills strategies. 2008/2009 will see pilot skills programmes expanded in order to achieve critical mass and ensure that the supply

and quality of critical skills correspond to the demand within the relevant industry. The department will also strengthen its relationships with the government stakeholders within the overarching supporting environment to achieve alignment.

Sector development. The MEDS identified sectors, according to priority and the ability of the department to contribute meaningfully, are as follows: oil and gas, tourism, small and medium sized enterprises, business process outsourcing, information and communications technology and more recently, creative industries and the second economy. The significant sectors are metals and engineering, boat-building, clothing and textiles and agriprocessing, and emerging sectors of note are aquaculture and renewable energy. Broad interventions for these sectors seek to accelerate growth and strengthen industry clusters, to strengthen competitiveness and skills development, and to broaden and strengthen the base of economic participation and SME support within the sectors. Arising from the institutional review process, the methodology of using private-public partnerships (Special Purpose Vehicles [SPVs]) has been confirmed, and based on the review's recommendations, the department will look to reinforcing the capacity and resources of these sector bodies where applicable, and will introduce a shared services function to serve and support the common needs of the SPVs. Furthermore, within tourism, aquaculture, and oil and gas, the department will continue to utilise the PDC Sector Forums as primary mechanisms, not only to finalize the respective sector strategies and sub-strategies, but also to facilitate the implementation of the interventions.

2010. For the Western Cape, the FIFA World Cup in 2010 will inject new impetus into the economy of the Western Cape, which will result in new job creation, increased arrivals, increased yield, and geographic spread. It will speed up growth and development, market the country and the continent and provide an opportunity to increase local entrepreneurship. Tourism, film and investment constitute a work stream within the 2010 provincial priority programme and its priority themes focus upon economic and SME development, trade and investment promotion, tourism marketing and tourism development. In 2008/2009, once resources become available, emphasis will be placed on

- building capacity to manage, coordinate and initiate strategies and plans within the priority themes,
- benchmarking research,
- maximizing opportunities for SMEs,
- coordinating a sector-based trade and marketing plan and a focused investment campaign,
- initiating the Tourism Host Campaign and Extended Stay Campaign, and
- preparing for compliance within FIFA regulations.

Business regulation and governance. The new provincial Liquor Act will be implemented. A fundamental feature of the new act is that it seeks to address the issue of unlicensed liquor traders ("shebeens") through an exemption provision which has been incorporated in the legislation. The key deliverables include establishing the Liquor Board as a public entity, improving business processes, and mainstreaming licensed and unlicensed HDI-owned liquor outlets. With respect to the Office of the Consumer Protector (OCP), the main outcomes for 2008/2009 will be the implementation of the Western Cape Consumer Affairs Act and the commencement of an OCP communications and awareness campaign.

Where we want to be in 2014

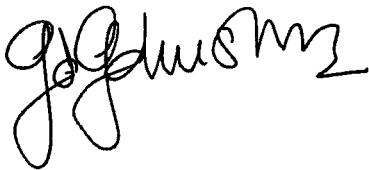
The ultimate outcome of the MEDS interventions is driven by the most fundamental goal of the Millennium Development Goals, the government's Vision 2014, ASIGSA, and the iKapa GDS, namely job creation and transformation.

The department has been bold in quantifying the realization of halving unemployment by 2014. While the actual figure may be subject to debate, the act of quantifying provides the focus and the scale required to reach the ASIGSA and PGDS targets. To this end, the department will facilitate:

- number of jobs created 200,000 to 450,000

Each of the sectors and cross-cutting themes has been allocated job creation targets which contribute towards this ultimate figure, while ensuring that all interventions facilitated by the department have embedded the transformation goals of the province, namely 50% women, 82% black, 2,5% people with disability, and with an emphasis on youth and rural communities.

The policy challenge is devising appropriate strategy levers in a way that produces sustainable income growth and spreads the gains throughout income groups. The department believes that the programmes and interventions highlighted above will collectively begin to provide the impact and results to grow and share the Western Cape economy and contribute towards the vision of "A Home for All".



JO-ANN JOHNSTON
Accounting Officer

2. STRATEGIC PLAN UPDATE ANALYSIS

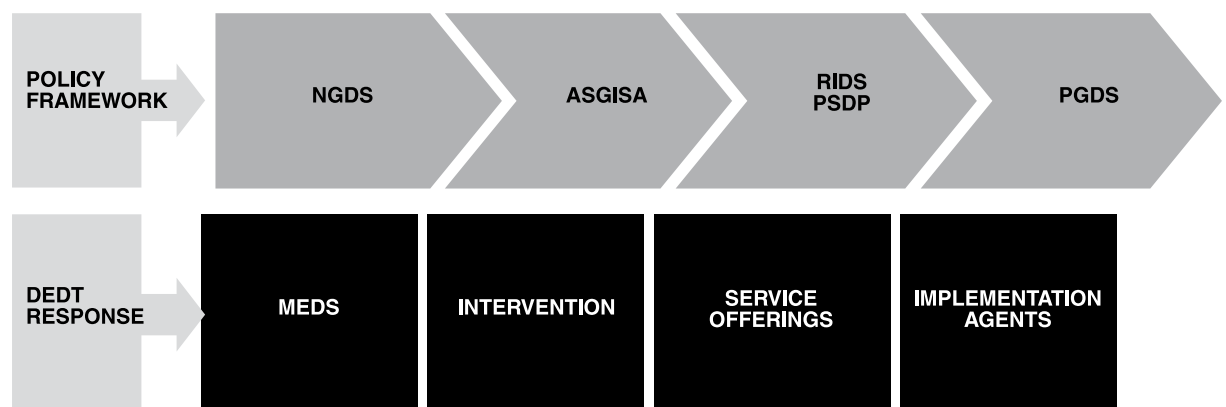
Macro policy framework

The economy is growing at a faster rate than it was ten years ago, but it has not shared the benefits of that growth. At a national level, this scenario has led to the directive that government was to adopt a more interventionist approach than it does at present in order to fast-track economic development and transformation (PERO 2007).

The department's direction and overall objectives are framed within a national context and informed by the Constitution, the Millennium Development Goals, the government's Vision 2014, ASIGSA, the National Spatial Development Perspective (NSDP) and the National Industrial Policy Framework (NIPF).

The Micro-economic Development Strategy and the department's policy framework are conceptualised, shaped and derived from the Western Cape's Growth and Development Strategy (iKapa GDS), which is framed within the iKapa Elihlumayo – "growing and sharing the Cape" and the vision of the Western Cape as "A Home for All".

FIGURE 2.1: Illustrates the process of developing the departmental response to the department's delivery goals



To realise the vision, the iKapa GDS commits the department and its counterparts to five long-term goals that will guide DEDT's policy making and strategy:

- grow and share the economy,
- build a more equal and caring society where poverty has been eradicated,
- promote ecologically sustainable development,
- foster greater spatial integration, and
- ensure effective governance and institutional strengthening.

Playing a strategic and collaborative role in all five long-term goals, the department, through the MEDS and second economy interventions, is the lead provincial entity to "grow and share the economy".

In essence, the Western Cape's strategy, iKapa Elihlumayo (also refer to **FIGURE 2.1**), captures the macro policy imperatives and sets the stage for the department's role as a provincial organ of the developmentalist state.

The department's vision is one of a shared, sustainable, growing, labour-absorbing, and globally competitive economy.

In the light of its vision, the department examined national policies, strategies, mandates, cabinet Lekgotla outcomes, and speeches of the president and national ministers, and combined these with the provincial political imperatives of iKapa Elihlumayo. The department's **essential mandates** (refer to **FIGURE 2.2**) are:

- to **grow** the economy in a sustainable manner, for the benefit of all who make the Western Cape their home,
- to create **employment**, especially for the presently unemployed,
- to make **ownership** of the economy representative of the demography of the province,
- to increase levels of **participation** in the economy by all, especially by the previously excluded and presently marginalised,
- to make citizens and their enterprises effective players in the **global** economy, and
- to create a fair, effective and conducive **business environment** for enterprises and consumers.

The department's mission is a commitment to drive key economic sectors that will grow the economy in a manner that will create decent work for entrants into the labour market, and to ensure that the number of people dependent on social welfare is reduced. We aim to grow and transform our economy through micro-economic interventions, and to ensure that social, economic and environmental equity outcomes are met.

Economic environment

The Western Cape economy grew by an average of 4,1% in the period 1999-2004, and this increased to 5,3% in 2004/2005 (PERO, 2006). For the periods 2004 and 2005, the province expanded robustly at an average of 6% compared to the national average of 5%.

Notwithstanding the comparative strengths and "above average" performance of the Western Cape over the past decade, important problems, limiting factors and potential threats cloud its socio-economic performance and future development path. The following dimensions and features of the Western Cape's socio-economic landscape impact significantly on its interventionist and servicing challenges:

- traditional, low skills absorbing economic sectors and sub sectors are shedding labour and/or resorting to the "casualisation" of employment contracts,
- steadily increasing competition from other regions of South Africa in areas where the Western Cape in the past had either a comparative advantage or was the first with projects and sectors (e.g. competition for the V&A Waterfront, establishment of SPVs in other provinces, BPO),
- intra-sectoral value chain fragmentation particularly in agriculture/agribusiness; clothing/textiles; and steel/metals – results in dis-economies which impact adversely on optimizing of resource use of potential, as well as on global competitiveness,
- misalignment, poor integration and blunt targeting of HRD service providers impact adversely on the supply of the intermediate and high-end labour market skill bands required in niche market growth sectors and sub sectors,
- the provincial economy lacks a robust, innovative, middle layer of Small and Medium Enterprises (SMEs) to support broad-based economic growth, job creation, and BBBEE,
- sizeable net in-migration, with about two-thirds coming from poor, rural communities in the Eastern Cape, and with the level of foreign African in-migration which is also accelerating,

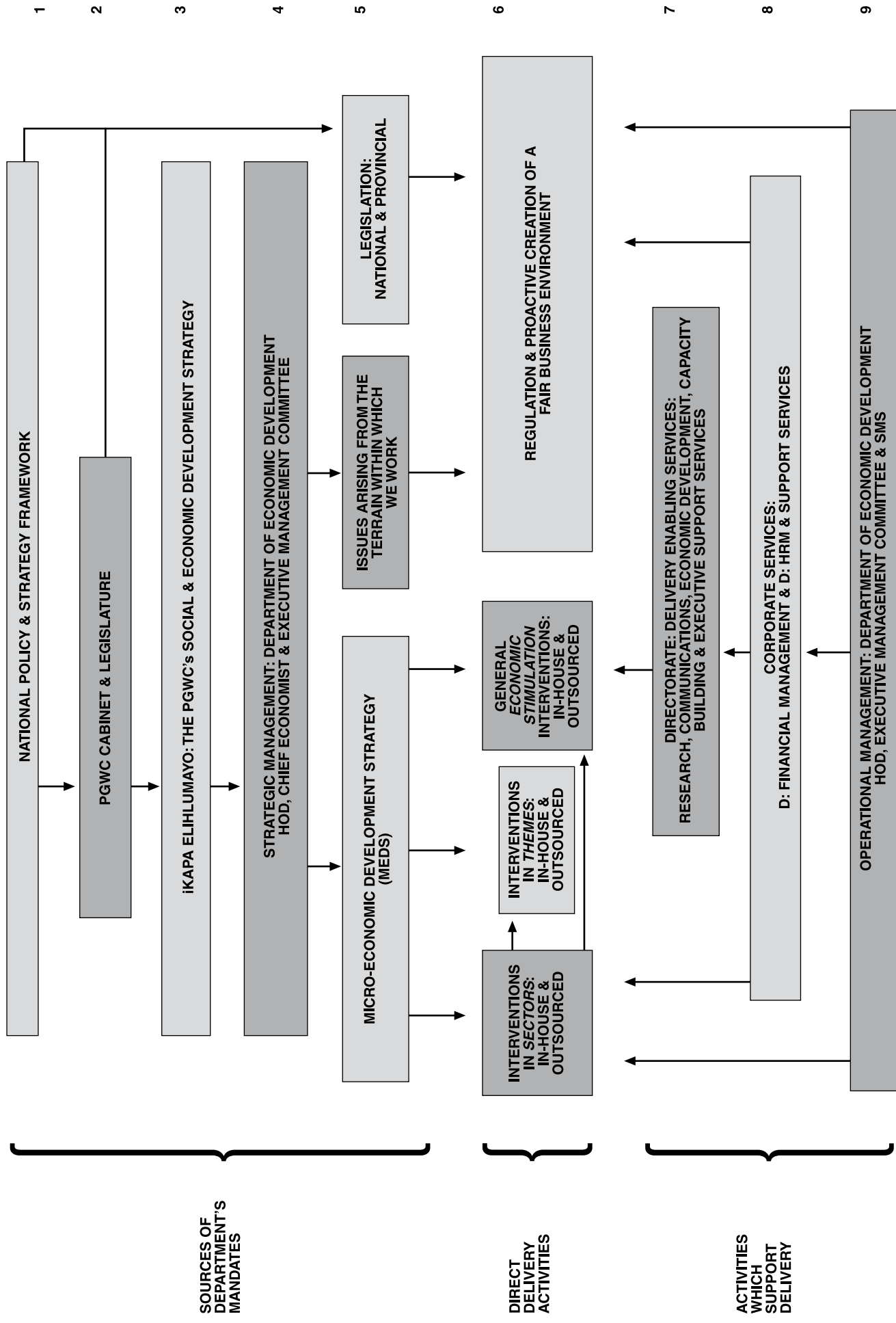
- steady annual out-migration of relatively well-skilled people to the northern hub, as well as other centres of the country and overseas,
- the challenge of quota removals and other global trade liberalization measures on hitherto relatively protected local industries (such as clothing),
- the Western Cape is the second least poor province in South Africa, and
- the Western Cape heads up the provincial inequality league in the country with an embedded, racially skewed distribution of enterprise ownership, management, employment and unemployment profile.

In addition, socio-spatial marginalisation, information asymmetries, and capacity deficits create vicious circles of inequitable growth that fuel migration, skills mismatches and heightened inequalities, while constraining optimal utilization of local resources or potentials.

Added to this, with concerns about inflationary pressures and resultant rises in the interest rates, an ever-strengthening oil price and the subprime credit crisis in the United States, the economy of the Western Cape is likely to face challenges in 2008/2009 if it is to stay steady on its accelerated growth path. The performance of the global economy is uncertain.

However, the possible global slowdown internationally may be cushioned by healthy domestic demand, driven by state led investment and high-profile premier events such as the 2010 FIFA World Cup. To ensure that we are able to achieve our goals and targets of the PGDS and ASGISA, we will have to be bold, vigilant in ensuring our MEDS strategies and programmes are dynamic and adaptable to world trends, and empowering and preparing our economic citizens to not only withstand challenges presented by global dynamics, but to take advantage of opportunities that they may present.

FIGURE 2.2: Structure of the reorganised department to meet delivery against set mandates



Service demand

The implementation of the MEDS occurred parallel to the re-engineering of the department's structure, and was split into two phases of implementation. The department has introduced phase 1 of the approved organogram and is in the process of initiating phase 2 of the structure to allow for the accelerated implementation of the MEDS. The development of the structure begins to accommodate the imperatives of national alignment, specifically stemming from the agreements reached between the dti and National Treasury and the MEDS

To achieve its mandates, the department is structured into six programmes to better align its servicing portfolio to demand side impulses and requirements. Each of the programmes comprise between 3-4 specialized units, and will ensure (together with institutions) the implementation of several key interventions in order to produce enterprises and to create jobs (refer to **FIGURE 2.3**). The organizational arrangement accommodates a broad operational constellation of specialized fields and activities.

While recruiting suitably qualified personnel has presented some difficulties, the department managed to achieve considerable progress towards the implementation of the MEDS. Broadly, a multiplicity of projects and initiatives have commenced within the framework of each of the sector and thematic strategies. These interventions are framed within the broad systematic thrusts common to all sector and thematic strategies, namely growth, competitiveness and increased participation and SME support.

The department is faced with gargantuan constraints in terms of human, financial and intellectual capacity that will be geared at meeting and successfully addressing the ever-changing demands placed on the Western Cape economy. To significantly improve the impact on service delivery, greater financial resources need to be leveraged, and the department will need to fundamentally increase and improve its intellectual capacity by employing suitably qualified and skilled human capital.

The department shoulders significant, but not singular, responsibility in realizing the growth and poverty eradication objectives of the province. The nature and substantive content of the demand side frame necessitate alignment between different service providers, as a single department cannot command all the capabilities or services required. HRD, technology development and transfer, physical and communications infrastructure, spatial planning, local economic development, environmental and land use planning and monitoring, trade policies, regimes and incentives, and investment policies and incentives all number amongst the extra-departmental institutional mixes/stakeholders involved.

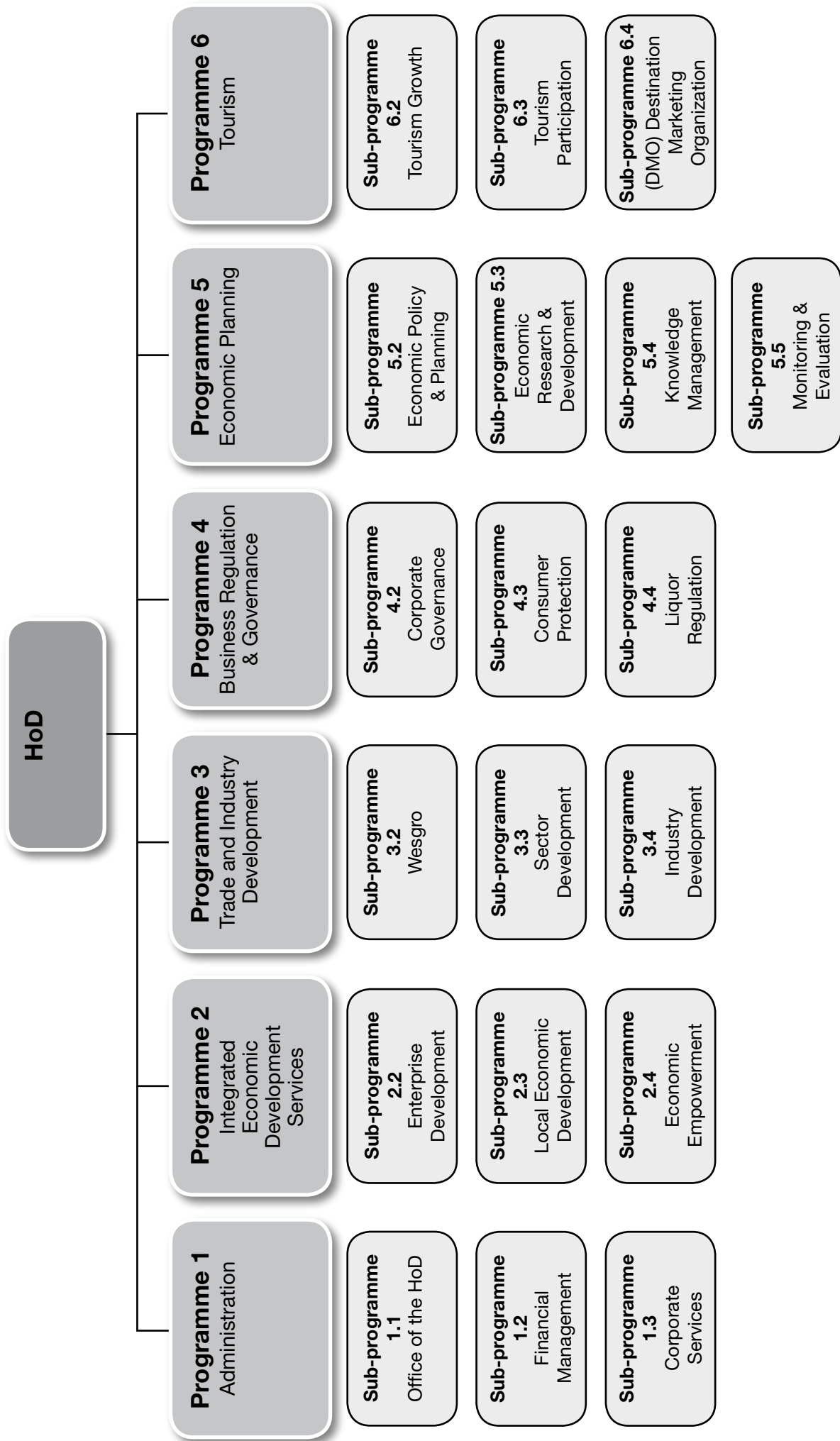
The responsibilities listed above highlight the strategic and integrative leadership function, where the department is required to expeditiously facilitate, manage and monitor pro-active and interventionist servicing of programmes. Strategic leadership, smart organization, effective resource pooling, and efficient, appropriate and inclusive institutional delivery are all primary requirements of the new brand of pro-active servicing which includes building empowering partnerships with end-users.

Service delivery and intervention capabilities that are required are not readily available on the market. It is imperative that intra-departmental cooperation be cultivated as a conscious, regular and formalized practice to enhance service efficacy and efficiency as well as extra-departmental sustainability of service offerings. In short, the MEDS priority interventions cannot be effected by the department alone, but necessitates the support and assistance of sister and national departments that have the mandate, resources and expertise.

The department will undertake to proactively and assertively build and foster relationships with stakeholders within the three government spheres to leverage and assemble a consortium of specialised expertise and resources. These engagements will build systematic, structured engagements, and be pragmatically and thematically orientated on MEDS initiatives which require synergistic cooperation and collaboration to be successfully realised.

Given the fledgling stages of the implementation, it is premature to conduct impact assessments on the majority of the MEDS projects, but initial indications are positive and extremely encouraging. The MEDS has expanded the department's sector activities to address critical gaps which inhibit competitiveness and skills development, to improve market access and investment, and to build support programmes for SME and BEE entities within the value-chains. Critical in going forward, however, will be the need to expand and multiply these projects to ensure impact across the province.

FIGURE 2.3: Organizational map of annual performance plan



Strategic plan process

The department's strategic planning process can be separated in three distinct but interlinked phases.

The first phase of the strategic planning process can best be described as the "setting the scene" phase, where the provincial cabinet, along with the MEC, set broad strategic goals for the province. These goals were then communicated to the department, via the MEC.

The second phase of the strategic planning process was the setting of broad strategic goals by the accounting officer and top management of the department. These goals were aligned to the vision of creating "A Home for All", the iKapa Elihlumayo strategy as well as recommendations arising through processes such as the MEDS.

The third phase in the process was the breakaway session of the management echelon, and the focus was on developing a 10-year vision and the strategy to achieve this vision. In this phase, specific plans and measurable objectives were discussed and agreed upon by the full compliment of top management. It must be noted that within certain programmes, the measurable objectives of some units as the specific sector interventions, have not yet been finalized by the MEDS.

3. PROGRAMME 1: ADMINISTRATION

The main aims of Administration are to conduct the overall management of the department; to provide support to the Executive Management of the Department.

The programme has been structured as follows:

- Office of the Head of Department,
- Financial Management, and
- Corporate Services.

Specified policies, priorities and strategic objectives

The programme's mandate is derived directly from chapters 10 and 13 of the Constitution of the Republic of South Africa (Act 108 of 1996), which compels all spheres of government to ensure that the principles of a high standard of ethics is promoted and maintained, efficient economic use of resources is promoted, encourage the state to be development-orientated, ensure transparency, and accountability.

To give effect to the above-mentioned principles, the Public Finance Management Act, 1999 (Act 1 of 1999) and Public Service Act was promulgated. Primary aim of these two pieces of legislation is to modernize the systems of management within the public sector and to represent a break from the past where management was characterized by opaqueness, poor information and virtually no accountability.

These introduced changes, were not merely technical in nature, but provided for and challenged all public sector departments to continuously search for improvement in service delivery and the achievement of outputs that will forever transform the landscape of the new South Africa and thereby build a better future.

For this to be successful, it is crucial that "change leadership" skills are utilized to drive the processes required for the modernization of public sector governance.

The mandate of the Sub-programme: Financial Management is directly derived from the Public Finance Management Act, 1999 (PFMA). This act challenges the department to adopt an approach to financial management that focuses on outputs and responsibilities rather than the "rule-driven" approach of the old exchequer acts. Key to the performance of good financial governance is the implementation of proper financial management systems, appropriation control and accountability arrangement. A secondary, but no less significant requirement, is the development of efficiency and effectiveness programmes, projects and "best practice" financial management systems.

In summary, the vision of the PFMA is to ensure:

- sound financial systems and processes, producing the necessary quality information,
- transparent budgetary processes that are implemented and maintained,
- effective management of revenue, expenditure, assets and liabilities,
- unqualified, consolidated financial statements, prepared on accrual basis, and
- both financial and non financial professionals that are suitably capacitated to implement reforms and accept common responsibility for management.

The mandate of the Corporate Services Sub-programme is informed, in the first instance, by the Public Service Act, the Public Service Regulations and provincial and national collective agreements. These provide the foundation for further strategy and implementation guidelines to ensure the progressive management of human resources and support services.

The aforementioned mandates the department to develop, implement, monitor and evaluate practices, which enhance the management of human resources and support services within the public service. A further function of the programme is to ensure that the services rendered by the department are effectively communicated to both the public and other internal government sources.

Progress analysis

The **Financial Management Sub-programme**, under the leadership of the Chief Financial Officer, was highly successful in improving the effectiveness, economy and efficiency of systems developed since the inception of the department. This said, the motto of the unit is not “business as usual”, but rather one of “how do we improve on services rendered to the department and public?”

During the 2006/2007 financial year, the unit was highly successful in implementing a number of improvement measures that is expected to move the department from a level 3 to level 4 audit-ready organization. These measures include, inter alia:

- improvements in monitoring and reporting,
- improvements in the understanding of the work of the department,
- improved relations with line units, and
- breaking down the perceived “rocket science” nature of financial management.

In instituting the above-mentioned, the unit achieved the following:

- managing the department’s budget to within 2% of the adjusted appropriation,
- the implementation of risk management policies and practices,
- the furtherance of fraud prevention plan implementation,
- improving turn-around times for payments to within 15 days of receipt of invoices,
- rolling out an extensive financial management training programme to all staff of the department,
- providing information to service providers of the department to improve efficiencies in the supply chain management processes, and
- improving the evaluation of business plans and strategies instituted by the department.

The **Directorate: Human Resource Management and Support Services** has been successful in providing a quality service to line function departmental units and staff in general. These services were also aimed at capacitating line function staff to better perform their human resource management responsibility.

Measures implemented included:

- capacity building interventions on organizational and job design,
- quality assurance of job descriptions,
- information sessions on recruitment and selection, and
- employee health and wellness information sessions.

In instituting the above-mentioned, the following goals were achieved:

- decreasing the staff vacancy rate,
- working towards an effective organizational structure, aligned to the department's strategic mandate,
- providing a professional EAP service offering to staff.

For the first time the department is able to quality control its events, communications and corporate image branding through **Communications Unit**. To date systems in the form of internal circulars and extensive quality control mechanisms with regard to any form of external communication to ensure professional and standardized imaging have been implemented. For example, interim measures have been put in place with regard to standardized business cards, letterheads, etc.

Analysis of constraints and measures planned to overcome them

Departmental policies will be reviewed regularly in an attempt to not only streamline the financial and HR processes, but also to enhance services such as accounting services, supply chain management, budgeting, internal and risk control, recruitment and selection, and human resource development.

Middle management capacity within the sub-programmes will also be increased. Line function managers will continue to be capacitated to ensure they take responsibility for their roles within the sub-programme deliverables.

In certain units, the necessary information management systems must be developed to ensure:

- the appropriate management of relevant information, and
- that reliable, accurate and up-to-date information is available for reporting and decision-making.

Resources and capacity within the unit could prove challenging for the effective and efficient delivery of the services. However, this is being addressed by the proposed new organizational structure and should prove sufficient at least for the short-term needs of the unit.

Another challenge is to ensure that line functionaries are capacitated to deliver on their human resource management responsibilities. Capacity building interventions will be delivered, through, amongst others, the provincial functional training units, in an attempt to address this challenge.

Description of planned quality improvement measures

Amongst other factors, the following quality improvement measures are planned for the programme:

Focus:

The bulk of resources available to the programme will be focussed on general operations as well as the implementation of various improvement measures identified by the programme.

New human resource capacity:

The current personnel management practices will be reviewed to ensure that:

- sufficiently competent staff are appointed,
- appointments support the department's transformation agenda, and
- personnel management processes are flexible enough to address the challenges of an ever-changing environment in which the department is expected to deliver.

**Training and development of existing staff:**

The development of a structured service delivery improvement strategy will include the following interventions:

- increase staff capacity,
- identify and address training needs of all staff,
- assess staff performance and address under-performance, and
- assess clients' perception of service delivery.

Shareholder relations/partnerships:

Service level standards will be entered into with all units in the department. The department will also seek to work closely with all government institutions as well as other organizations linked to the department in an effort to improve services and ensure best practices.

Communication:

With regard to communications, external designers will design the standards for departmental events and all related materials (corporate imaging). In addition, staff will be trained to manage events.

3.1 SUB-PROGRAMME 1.1: OFFICE OF THE HEAD OF DEPARTMENT

Specified policies, priorities and strategic objectives

This sub-programme has the following priorities:

- managing administrative and operational functions of the Office of the HoD,
- managing the HoD's strategic and operational work programme, including strategic and operational work agenda, and secretariat support to meetings chaired by HoD and meetings attended by the HoD,
- undertaking specific projects related to the HoD's work at strategic level, including management of the ministerial projects portfolio, and
- managing the external relations portfolio, including high level communication and interaction on behalf of the HoD with the Premier/Ministers/Members of the standing committee and senior government officials/ etc., strategic partnership management targeting key role-players, and funding recruitment management.

SPECIFICATION OF MEASURABLE OBJECTIVES AND PERFORMANCE INDICATORS

Strategic objective		Ensure effective governance and institutional strengthening							
Measurable objective	Performance measure or indicator	2007/2008 (estimate)	2008/2009 (target)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2009/2010 (target)	2010/2011 (target)
Conduct the overall management of the department	Number of Executive Management Committee (EMC) meeting conducted	12	12	3	3	3	3	12	12
	Number of monthly Departmental Top Management (DTM) meetings conducted	8	8	2	2	2	2	8	8
	Frequency at which monthly expenditure, revenue and projections are assessed	12	12	3	3	3	3	12	12

3.2 SUB-PROGRAMME 1.2: FINANCIAL MANAGEMENT

Specified policies, priorities and strategic objectives

Financial Management has identified the following main objectives:

To ensure efficient and effective management of the budget processes within the department.

The sub-programme will continue to implement systems and processes that will ensure the constant improvement of all budgetary related matters. This will be achieved by:

- ensuring an integrated approach to budget management through participation by all components within the department,
- monitoring and reporting on revenue and expenditure, thereby ensuring that all risks to the budget are identified and mitigated, and
- monitoring and evaluating performance information through a quarterly and annual reporting mechanism.

To ensure that financial management services offered are aligned to financial prescripts, thereby achieving sustainable service delivery by the public sector.

One of the primary purposes of the financial management sub-programme is the development and implementation of financial management procedures.

The unit's primary aim is to monitor and evaluate the effectiveness and efficiency of the afore-mentioned procedures and implement mechanisms where constant improvement is made, and communicated to all staff of the department. A key component of this strategy is to conduct regular awareness sessions with all staff of the department to alert them of these prescripts and policies, thereby ensuring that effective financial management is not the sole responsibility of the sub-programme.

To promote the consistent application of "best practice" throughout the department .

The sub-programme will strive to constantly monitor its effectiveness and efficiency against both national and provincial departments, thereby ensuring an effective learning mechanism. The sub-programme will also adopt an "open window" approach in order to gain feedback on procedures and processes undertaken, thereby ensuring an improved service to the rest of the department and other clients.

The above-mentioned objective will be achieved through the promotion of transparency and the provision of effective and efficient financial management and departmental accounting services in the departmental sphere of government by enhancing systems and structures of effective governance.

To optimise cost effectiveness and efficiency in the achievement of the department's objectives.

This objective will be achieved through the constant benchmarking of services procured and ensuring that an effective contract management system is in place to ensure value for money. The sub-programme will also ensure an effective costing system for projects and programmes where services tendered for are evaluated through a demand management system and evaluation of past performance of project costs are evaluated against the mandate of the department.

To provide assurance to management and the public that risks to the department are understood and managed properly, that reporting can be relied upon, regulations are complied with and all processes are operating effectively and efficiently.

The above-mentioned objective will be achieved through the regular assessments of risk and fraud prevention practices. Furthermore, the sub-programme will continue to refine and improve on internal control systems and the provision and dissemination of reports where findings are communicated. The sub-programme will also aggressively pursue a strategy of monitoring the effectiveness of corrective actions implemented.

SPECIFICATION OF MEASURABLE OBJECTIVES AND PERFORMANCE INDICATORS

Strategic objective		Ensure effective governance and institutional strengthening							
Measurable objective	Performance measure or indicator	2007/2008 (estimate)	2008/2009 (target)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2009/2010 (target)	2010/2011 (target)
Ensuring programme managers are capacitated in terms of their financial management obligations	Number of financial management meetings	20	24	6	6	6	6	24	24
	Rendering an effective budget management system	Annual revision and alignment to changing needs of the department	Final approved APP submitted for tabling in legislature	1st draft APP submitted to PT	2nd draft APP submitted to PT	Final approved APP submitted for tabling in legislature	Final approved APP submitted for tabling in legislature	Final approved APP submitted for tabling in legislature	Final approved APP submitted for tabling in legislature
Number of quarterly performance reports submitted to PT	Timeous submission of Annual Performance Plan (APP)	Budget documentation approved in legislature	Final approved budget for tabling in legislature	1st draft budget submitted to PT	1st draft APP submitted to PT	2nd draft budget submitted to PT	Final approved budget submitted for tabling in legislature	Final approved budget submitted for tabling in legislature	Final approved budget submitted for tabling in legislature
	Number of IYM reports submitted to Treasury	12	12	3	3	3	3	12	12
Timely submission of the annual performance report	Number of quarterly performance reports submitted to PT	4	4	1	1	1	1	4	4
	Submission to legislature	Submission to PT	Submission to legislature	Submission to legislature	Submission to legislature	Submission to legislature	Submission to legislature	Submission to legislature	Submission to legislature
Submission to PT of annual performance reports published	Annual report submitted to PT within prescribed timeframe. Approved by legislature	Timeous submission of annual report	Submission to legislature	Submission to legislature	Submission to legislature	Submission to legislature	Submission to legislature	Submission to legislature	Submission to legislature
	Submission to PT of annual performance reports published	Submission to legislature	Submission to legislature	Submission to legislature	Submission to legislature	Submission to legislature	Submission to legislature	Submission to legislature	Submission to legislature

Strategic objective		Ensure effective governance and institutional strengthening							
Measurable objective	Performance measure or indicator	2007/2008 (estimate)	2008/2009 (target)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2009/2010 (target)	2010/2011 (target)
To provide and maintain a procurement and provisioning system in the department	Percentage compliance with the AO system	100	100	100	100	100	100	100	100
	Monthly SCM Statistics to PT	12	12	3	3	3	3	12	12
	Assessments on SCM databases	12	12	3	3	3	3	12	12
	Percentage deviation from Major Asset Register	10	5	20	15	10	5	5	5
	Percentage deviation from Minor Asset Register	10	10	30	25	15	10	10	10
	Number of internal control assessment reports on performance	20	18		6	6	6	6	24
To provide assurance that financial risks are minimised and managed effectively	Number of training sessions conducted	2	2		1	1		2	2
	Number of post audit inspections conducted	12	12	3	3	3	3	12	12
	Number of monthly Inspections	72	72	18	18	18	18	132	132
	Number of quarterly Inspections	15	18		6	6	6	18	18
	Number of biannual Inspections	2	2	1		1		2	2

Strategic objective		Ensure effective governance and institutional strengthening							
Measurable objective	Performance measure or indicator	2007/2008 (estimate)	2008/2009 (target)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2009/2010 (target)	2010/2011 (target)
	Number of Fraud and risk committee meetings		4	1	1	1	1	4	4
To deliver of an efficient and effective financial accounting service in the department and the alignment of financial prescripts to achieve sustainable service delivery by the public sector	Timeous submission of annual financial statements for audit purposes	Submission to AG on 31 May 2007	Submission to AG by 31 May 2008	Submission to AG by 31 May 2008				Submission to AG on 31 May 2009	Submission to AG on 31 May 2010
	Audit opinion rating	Unqualified audit report	Unqualified audit report		Unqualified audit			Unqualified audit report	Unqualified audit report
	Number of normative measure reports submitted to PT	4	4	1	1	1	1	4	4
	Number of debt reports submitted to PT	4	4	1	1	1	1	4	4
	Number of IYM reports submitted to PT	12	12	3	3	3	3	12	12
	Average number of days for payments to be processed	30	25	25	25	25	25	20	15
	Half yearly financial statements		1			1		1	1
	Number of monthly bank reconciliations completed	12	12	3	3	3	3	12	12

3.3 SUB-PROGRAMME 1.3: CORPORATE SERVICES

Specified policies, priorities and strategic objectives

The mandate of the Sub-programme: Corporate Services is firstly informed by the Public Service Act, the Public Service Regulations and provincial and national collective agreements, and secondly by the need to communicate services rendered by the department to all clients, both internal and external to the public service. These provide the foundation for further strategy and implementation guidelines to ensure the progressive management of human resources and support services and communication services.

The Sub-programme: Corporate Services has identified the following main objectives:

To ensure a comprehensive human resource management and support service to the department by:

- the employment and retention of competent staff,
- staff development and training,
- service delivery improvement,
- transformation of human resources and human resource practices,
- effective and efficient maintenance of the employer–employee relationship,
- improving the quality of work life of employees,
- ensuring a health and safety work environment, and
- ensuring good governance practices (e.g. fair administrative processes, efficient records management, etc.)

To provide a cohesive support service to all departmental units with regard to communication and corporate image enhancement, the Communications unit will:

- manage the department's internal and external communications, i.e. media briefing newsletter, internal newsletter, departmental events calendar, events management, and public exhibitions and stands,
- manage corporate image design, and develop departmental marketing plans based on the APP, and
- monitor and evaluate internal and external communications.

SPECIFICATION OF MEASURABLE OBJECTIVES AND PERFORMANCE INDICATORS

Strategic objective		Ensure effective governance and institutional strengthening							
Measurable objective	Performance measure or indicator	2007/2008 (estimate)	2008/2009 (target)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2009/2010 (target)	2010/2011 (target)
Ensuring the appointment of suitable staff, managing the implementation of service benefits and managing employer-employee relations, within the relevant regulatory frameworks.	Percentage establishment filled	80	90	75	80	85	90	90	90
	Number of capacity building sessions regarding recruitment and selection	4	4	1	1	1	1	4	4
	Number of capacity building sessions regarding service benefits	4	4	1	1	1	1	4	4
	Number of data verifications on PERSAL	2	2		1		1	1	2
	Percentage misconduct and grievances addressed	100	100	100	100	100	100	100	100
	Number of capacity building interventions with regard to labour relations		4	1	1	1	1	1	4
	Number of training needs identified		20		20				25
	Number of training interventions implemented		15	3	5	5	5	2	18
	Number of interns accommodated		15	15	15	15	15	15	15
	Rendering effective and efficient development and transformation services								

Strategic objective		Ensure effective governance and institutional strengthening								
Measurable objective	Performance measure or indicator	2007/2008 (estimate)	2008/2009 (target)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2009/2010 (target)	2010/2011 (target)	
	Number of bursaries awarded	15	15		15			15	15	
	Number of learners placed on a learnership	1	1		1			1	1	
Rendering effective and efficient development and transformation services	Number of employee health and wellness days		1			1		2	2	
	Number of HRFU meetings held	4	4	1	1	1	1	4	4	
	Number of OHS meetings held	4	4	1	1	1	1	4	4	
	Percentage compliance with EE plan		70	55	60	65	70	80	90	
	Number of commemorative events supported	4	4	1	1	1	1	4	4	
	Number of provincial initiatives partnered	2	2		1		1		2	
	Number of social capital development interventions	2	2	1		1		2	2	
	Number of capacity building sessions regarding staff performance management system	1	4	1	1	1	1	4	4	

Strategic objective		Ensure effective governance and institutional strengthening								
Measurable objective	Performance measure or indicator	2007/2008 (estimate)	2008/2009 (target)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2009/2010 (target)	2010/2011 (target)	
	Percentage IPDPs completed	Percentage of IPDPs completed	80	80				90	95	
	Percentage of performance reviews completed	Percentage of performance reviews completed	80	80	80		80	90	95	
	Percentage assessments and ratings completed	Percentage assessments and ratings completed	80	80				90	95	
To render an effective and efficient support services function, through an effective information and records management.	Percentage compliance with filing system	Implementation of filing system	60	45	50	55	60	70	80	
	Number of annual reports published in English,	250	250			250		250	250	
	Number of annual reports published in Afrikaans	100	100			100		100	100	
To render an effective and efficient communication and corporate image service to the department	Number of annual reports published in Xhosa	100	100			100		100	100	
	Number of departmental newsletters published		26	6	6	7	7	26	26	
	Number of Imbizo coordinated (based on the 21 priority areas)		42	21		21		42	42	

Strategic objective		Ensure effective governance and institutional strengthening									
Measurable objective	Performance measure or indicator	2007/2008 (estimate)	2008/2009 (target)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2009/2010 (target)	2010/2011 (target)		
	Number of service delivery jamborees(based on 21 priority areas)		21		21			21	21		
	Number of the departmental events supported		20	5	5	5	5	20	20		
	Number of communication marketing project plans facilitated		3				3	12	12		
	Number of departmental official documents translated		20	5	5	5	5	20	20		
	Number of updates completed in the Cape gateway website		12	3	3	3	3	12	12		
	Number of media monitoring and evaluation reports completed		4	1	1	1	1	12	12		

3.4 RECONCILIATION OF BUDGET WITH PLAN (R'000)

Sub-programme	Year - 2 2005/2006 (actual)	Year - 1 2006/2007 (actual)	Base year 2007/2008 (estimate)	Year 1 2008/2009 (budget)	Year 2 2009/2010 (MTEF projection)	Year 3 2010/2011 (MTEF projection)
Office of the HOD	3 914	5 161	2 162	3 148	3 341	3 422
Financial Management	5 971	12 909	9 842	11 813	13 766	14 545
Corporate Services	5 439	2 619	7 497	9 534	10 210	10 618
Total programme	15 324	20 689	19 501	24 495	27 317	28 585

4. PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES

Through support intervention designed in the areas of enterprise development, local economic development and economic empowerment, the Programme: Integrated Economic Development Services aims to grow the regional economy by ensuring increased participation of historically disadvantaged individuals and communities.

The programme is structured as follows:

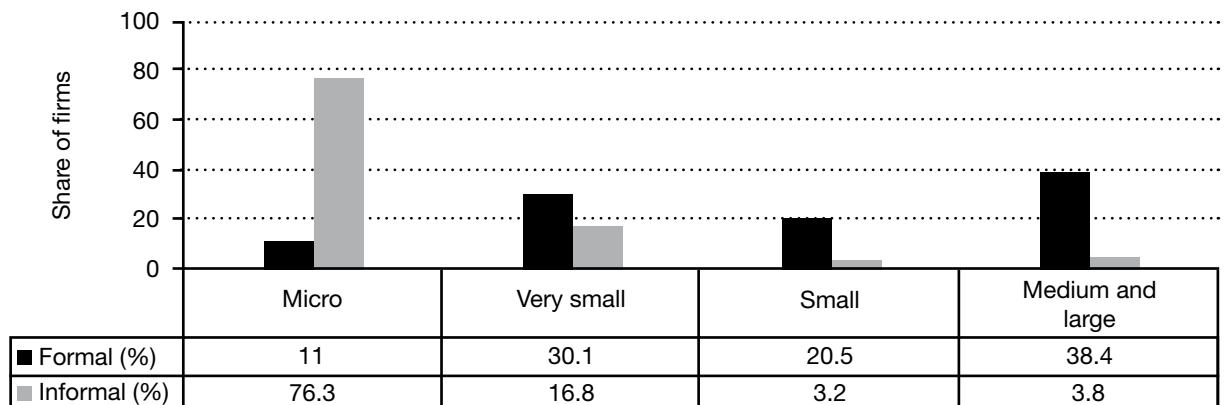
- Management: Integrated Economic Development Services
- Enterprise Development
- Local Economic Development
- Economic Empowerment

Specified policies, priorities and strategic objectives

The Millennium Development Goals of 2014 requires focus and dedicated action if poverty and unemployment is to be halved. Integrated Economic Development Services aims to tackle this challenge within the vision and goals of iKapa Elihlumayo and shared growth. The Micro-economic Development Strategy, one of the cornerstone strategies flowing from iKapa Elihlumayo, articulates thematic and sectoral strategies aimed to deliver shared growth via employment creation and increased participation and ownership of the economy. AS-GISA also sets the challenge that this needs to happen at an accelerated pace. Articulated strongly and clearly in the national and provincial strategies is the critical role that SMEs play within the economy and the substantial contribution these businesses make towards job creation, transformation and wealth redistribution within a spatial context. The research also highlights the challenges that confront SMEs and provide some direction in terms of the support that can be provided by government.

Research shows that small businesses within the Western Cape are highly heterogeneous, cutting across industries and the formal–informal sector divide. Unsurprisingly, small businesses are most prevalent in the informal sector (see **FIGURE 4.1** below).

FIGURE 4.1: Employment by enterprise size and sector, Western Cape, 2005



Source: PERO, 2007, pg 161

The research also articulates the challenges that confront SMEs and provide some direction in terms of the support that can be provided by government.

With these clear objectives, the programme **Integrated Economic Development Services** has adopted an approach of:

- establishing a framework within which the themes, enterprise development, local economic development and economic empowerment, operate to impact on its service delivery environment,
- developing support interventions, tailored for the Western Cape's specific circumstances, and aimed at increasing economic participation and ownership, and
- maintaining a focus on the informal economy and efforts to promote participating in the mainstream economy; this is central to each of the sub-programmes' chief interventions like RED Door, Plek Plan and Implementation around Empowerment.

In the department's plans to meet the national and provincial priorities of accelerated and shared growth for our province, the following are key priorities:

Enterprise Development aims to create and maintain an environment conducive to the development and growth of SMEs, both in the formal sector and in the informal economy. In contributing to integrated provincial economic development and growth, the agreement reached between social partners at the Provincial Growth and Development Summit has been infused into the strategy of the unit. The provincial MEDS has further guided strategic planning for enterprise development in the Western Cape. The strategy is underpinned by the principles of Ikapa Elihlumayo.

Local Economic Development focuses on providing local municipalities and local people with an integrated framework and environment to promote economic development in local economies that contributes to the regional economy. Its interventions are aimed at impacting on Historically Disadvantaged Individual (HDI) ownership and creating greater geographic spread of economic activity in the province. This is undertaken through a collaborative approach to delivering departmental support interventions at local level. Here programmes like Plek Plan and processes that support IDP, is key.

Economic Empowerment aims to provide strategic direction to and create a facilitating environment for empowerment and transformation of the Western Cape's economy, through giving effect to the national BBBEE Act, no 53 of 2003, the recommendations as set out in the Micro-economic Development Strategy and the iKapa GDS. These interventions will provide a supporting framework for the realization of transformation and in accomplishing this objective, will proactively engage with all stakeholders within the private sector, civil society and labour.

Progress analysis

The Sub-programme: **Enterprise Development** has made considerable progress toward realising its strategic objectives and this has been outlined below.

The work of the Sub-programme: Enterprise Development is dependent on developing and maintaining partnerships with stakeholders both nationally and at a local level. This has involved the alignment of the sub-programme's strategy with that of the national small business strategy as well as significant partnerships with national government agencies (e.g. Khula, Umsobomvu Youth Fund, CIPRO, CSIR, SEDDA, SAMAF, DBSA, HSRC, SABS, SARS).

At a provincial level, there have been sustained collaborative initiatives with other government departments, such as Transport and Public Works, Agriculture, Social Development, Education.

The sub-programme Enterprise Development has close working relationships with local authorities with regard to the planning and implementation of the single entry points for small business. These single entry points have become institutional within their localities in supporting both new and existing businesses.

Furthermore, Enterprise Development has facilitated improved access to business information through the single entry points. This has been further supported by access to the internet for research and development of business ideas and the enhancement of existing small businesses. A tender advice and training programme dealing with both public and private sector tenders is being offered at all the single entry points. This improves the entrepreneurs' opportunity to access additional markets.

Complementing the physical structure of the single entry points within localities has seen the implementation of the mobile service as an outreach intervention to improve the accessibility of the services being offered by the sub-programme.

The Sub-programme: Enterprise Development has embarked on a marketing strategy aimed at having a cohesive message to our target audience in stimulating entrepreneurship and to create awareness of the services offered by the programme.

There has been continued building of linkages at a local level with private sector, NGOs and local authorities in an effort to support small business. These linkages have extended to organise business broadly and with tertiary institutions (CPUT & USB) with the focus on sharing technical expertise.

Enterprise Development provided continued support of the small business exhibitions where service providers, public and private sector institutions, finance institutions and parastatals, showcase opportunities, as well as develop and facilitate linkages and match-making opportunities for small business.

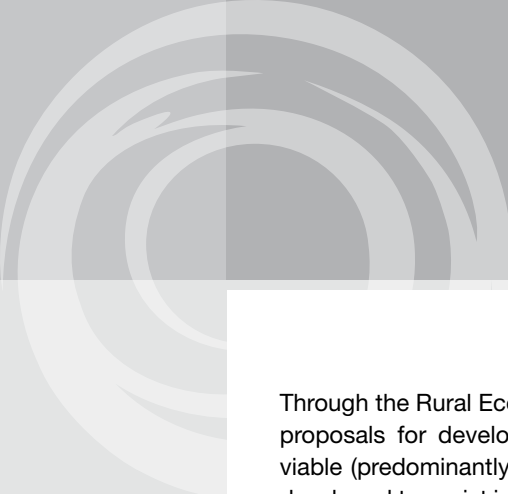
The Sub-programme: Enterprise Development has engaged in a comprehensive small business support programme providing both financial and non-financial services to "unbankable" entrepreneurs. The Small Business Assistance Support Program focuses on mentoring "unbankable" clients, thus aspiring to increased business sustainability.

To encourage the conversion from the second to the first economy, the Sub-programme: Enterprise Development embarked on unconventional initiatives geared to address unemployment and stimulate entrepreneurship amongst beneficiaries at the lower end of the economic spectrum. Beneficiaries received basic business training and assistance in developing business plans. Selected business plans are available on an open source website and are accessible to those wishing to open similar businesses. The initiative has also seen beneficiaries being exposed to the formal banking sector. In line with ASGISA and Ikapa Elihlumayo, the project seeks to share and grow the economy of the Western Cape.

With cooperative structures playing a major role in improving resource mobilization and access to markets, the Sub-programme: Enterprise Development has undertaken the development of a cooperative strategy, capacity building program and pilot project.

Given a focus on local municipalities and people, **Local Economic Development (LED)** has developed a strategy and interventions to fast track support at local level. The Plek Plan programme is a comprehensive intervention to promote local economic development. The past year saw the roll-out of the additional Plek Plan offices following on the success of the first phase of roll-out.

The financial year 2007/2008 saw the roll-out and establishment of five Plek Plan offices, to ensure greater spatial spread of support by the sub-programme in local areas. By identifying and developing local economic and business opportunities, the sub-programme will support and promote an increased number of local people and enterprises entering, participating and owning in the local economy, in partnership and collaboration with the other sub-programmes in the chief directorate. Plek Plan is an intervention that speaks directly to the elements of the national framework to stimulate local economies. Stakeholders in DPP played a significant role in the roll-out and establishment of the five Plek Plan Offices. Wesgro IQ provided the programme with global intelligence on economic opportunities identified. Furthermore, Casidra was responsible for the recruitment of the Plek Plan managers and human resource related matters. CSIR assisted in the technical expertise for the programme and was responsible for the training and capacity building of the Plek Plan managers in 2006/2007. In the 2007/2008 financial year, CSIR managed the programme, which includes the establishment of five more Plek Plan offices.



Through the Rural Economic Assistance Fund (REAF), the department continued to seek and identify pilot project proposals for development and partnership that could result in the establishment of new and economically viable (predominantly agribusiness) ventures for the benefit of the previously disadvantaged. REAF criteria were developed to assist in assessing the economic viability of projects, sourced through the Plek Plan programme and municipalities. Projects that appeared to be economically viable were subjected to full feasibility studies.

LED has provided more direct hands-on support to those municipalities in greatest need of assistance, given the challenges in the area of organizational skills and capacity in economic development at municipal level. It has made strides in improving the alignment between district and B-level municipalities as well as between provincial and municipalities' programmes.

LED has embarked on a series of practical workshops across the province during the course of the year to assist municipalities in developing credible LED strategies. The main focus of the workshops was practical plans of action through implementation of local municipalities' economic development priorities. Workshop programmes were tailor-made for each district to address specific local needs and challenges. The workshops also create awareness, build better participation, and assist in the launch and roll-out of departmental programmes like the Plek Plan, and other national support programmes and benefits. There is considerable alignment of the unit's strategy with the framework that has emerged from national government for LED. Furthermore, the sub-programme has taken the ASGI-SA programme of action and internalized its deliverables within its key performance areas. It has also proactively supported increasing the alignment of departmental programme implementation with national and provincial objectives and programmes, such as the ISRDP and URP. In this regard good working relations have been established with DLG&H and DPLG to coordinate support interventions within these presidential nodes.

Over the past financial year close and credible new working relationships with municipalities have developed and existing ones have strengthened, through LED/IDP assessments and reviews, local government MTEC sessions that tested the credibility, sustainability and responsiveness of IDPs, LED roadshows and one-on-one engagements. The sub-programme has ensured that the outcomes of the various district growth and development summits became a key focus area that is internalised into the LED strategies of municipalities. These engagements created further awareness of departmental interventions and support; they built better participation and coordination between local and provincial governments around economic development plans.

LED has collaborated with other provincial government departments and agencies, such as local government and housing, the treasury and the premier's department, on initiatives around capacity building for local municipalities and projects that will increase greater economic participation and ownership in a local area. It intends extending the working relations with environmental affairs and development planning to ensure spatial development plans, and local economic development plans of municipalities are supported to ensure more responsive IDPs for growth and development.

The **Economic Empowerment (EE)** sub-programme is laying the foundations for clear understanding and practical implementation of BBBEE per the national legislation and the codes of good practice, as it is unfolding. The development and implementation of a broad-based black economic empowerment implementation strategy for the province is in the process of being finalized, and clear and practical implementation and intervention plans are continuously being developed and refined. This process should come to fruition during the 2008/2009 financial year. The following plans sets out the unit's progress thus far, and explains the measures that will be taken to achieve the identified strategic objectives:

A draft of the BBBEE implementation strategy has been finalized. As a result of the codes of good practice only being gazetted in February 2007, the Western Cape BBBEE implementation strategy had to be delayed. The strategy will give provincial direction in addressing the inequalities resulting from the past policies. The strategy has been aligned with the BBBEE Act, its code of good practice and sector charters, the Micro Economic Development Strategy and Ikapa Elihlumayo. The provincial BBBEE implementation strategy will be communicated to all stakeholders via an appropriate identified communication strategy. To this end, the EE Advisory Forums will be one vehicle which could be effectively utilized to popularize the Western Cape BEE implementation strategy.

A total of nine information sessions on the BBBEE charters and scorecards were held. The objective of the information sessions was to inform stakeholders of the BBBEE codes of good practice, BBBEE charters and

scorecards and to encourage them to participate in the BBBEE process. EE held one session with all WCPG officials to inform them about the BBBEE codes good practice. Three wine charter workshops were held in the following areas: Vredendal, Stellenbosch/ Paarl and Worcester/Robertson. Two property charter workshops were held: one in the city centre and the other in George. In addition, two BBBEE information sessions were held with the Department of Labour and one on the West Coast.

EE initiated a monitoring and evaluation mechanism on the various BBBEE charters relevant to the Western Cape economy. As a first step, we identified the various BBBEE charters relevant to the Western Cape economy and determined what their status is.

EE has completed the draft of the revised Western Cape Preferential Procurement Policy. This project is being done in consultation with the provincial Treasury. There were consultations with all the Western Cape provincial government departments as well as outside stakeholders. The objective of the revised Western Cape Preferential Procurement Policy is to enable the provincial government to increase its procurement spend on empowered enterprises and black SMEs.

In collaboration with LED, EE initiated a process that will provide guidance to municipalities in the development of their preferential procurement policies and BBBEE economic empowerment programmes.

EE continued to strengthen their consultation and cooperation with the partners of the Provincial Growth and Development Summit, business, labour, local government and civil society. This engagement has laid a firm foundation for provincial government's efforts in not only obtaining buy-in and support from these important role-players, but to also fully understand the issues underlying economic empowerment of the targeted groups.

EE continued to strengthen advisory forums for all the targeted beneficiaries, such as women, the youth, organized businesses, rural communities and people living with disabilities. Terms of references for the above-mentioned forums will feed the envisaged Western Cape BEE Economic Advisory Council's implementation program. The unit is currently undertaking research in monitoring and evaluating the system of the advisory forums and the roll-out of the Western Cape BEE Advisory Council.

EE continued to play a leading role in facilitating BBBEE opportunities, as an evident gap exists in the need for an independent intermediary to broker BBBEE opportunities between financial institutions, black entrepreneurs and white corporates. The unit facilitated BBBEE opportunities leading to an increase in job creation and expanding economic participation amongst previously disadvantaged people.

The unit's BBBEE newsletter continues to bring BBBEE closer to those in the informal economy as it facilitates access to information and opportunities in government preferential procurement and other related economic empowerment topics.

EE also developed a substantial number of databases of black empowered entrepreneurs in the different economic sectors of the province. The databases also include existing and prospective black business owners that are women, youth and people living with disabilities as well as rural communities. This information will result in the unit being a credible resource of inter alia:

- research,
- advice and information (including facilitation), and
- databases of black enterprises and enterprises seeking to be empowered (matchmaking role).

The emerging BEE entrepreneurs cannot grow solely upon government procurement and policies, but requires the active participation of all stakeholders.

Analysis of constraints and measures planned to overcome them

There are numerous challenges facing SMEs in South Africa. One of the major constraints is the support by the financial institutions for small business, especially those owned by historically disadvantaged individuals, which

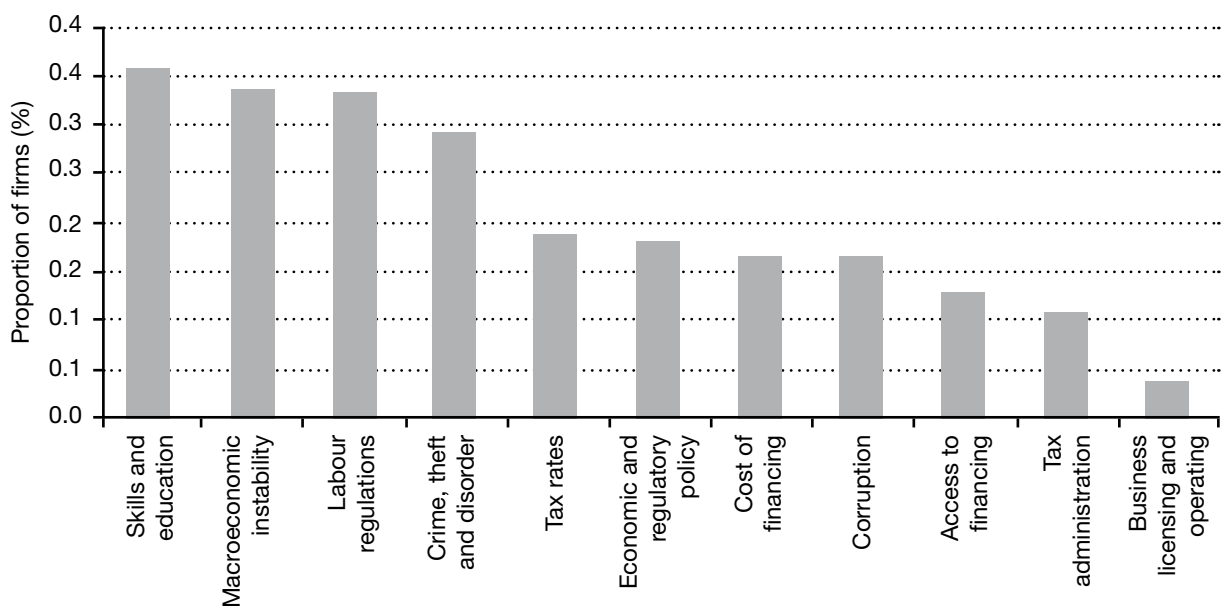
has thus far been inadequate. Commercial banks, clinging to lending criteria that discriminate against the resource-poor (typically black), have tacitly and explicitly “red lined” entrepreneurs who are unable to provide suitable collateral. Without access to finance, even the keenest entrepreneur has little chance of starting a business. Although banks have alluded to addressing the needs of the “unbankable”, real proof of their commitment has been slow. Entrepreneurs are further disadvantaged by the New Credit Act, which slowed down access to capital due to the application of proof of affordability, and this becomes a liability in the viability analysis of a small business. These factors place significant pressure on the sub-programme, with its limited budget, to address the gaps created by the financial lending regime.

Most municipalities give little support to small businesses. A combination of inadequate resources (both financial and human) and poor understanding of small business development has resulted in the stifling of enterprise development. These local authorities, especially those in the rural areas, look to national and provincial government to assume the responsibility for small business development. This “responsibility” on the shoulders of provincial government poses further significant challenges.

The existence of a reliable network of competent service providers that offer the full range of advice, information and other services, are key factors in an environment that stimulates and enhances enterprise development. Unfortunately, support services for small businesses has been fragmented and not comprehensive with about 80% of all services of a generic training nature, dispensed by poorly qualified and inexperienced service providers who are severely biased towards the metropolitan areas. This results in little or no rural reach.

FIGURE 4.2 below, represents results from the ICA survey detailing perceived obstacles by businesses in South Africa.] Interestingly capital constraints are not identified as the most important constraints to business, although they are identified as a major obstacle by a substantial number of firms.

FIGURE 4.2: Perceived obstacles to business by firms in SA, 2004



Source: PERO, 2007, pg 166

In dealing with identified constraints, the following steps will be undertaken by **Enterprise Development**:

- An evaluation of the current financial support program has identified pre-mentoring support as a cardinal process in assisting entrepreneurs and promoting sustainability of the business. This additional leverage will assist us in selling our financial support programme to “crowd in” investment to “unbankable” entrepreneurs from the private sector. This intensified support to the entrepreneur assists in achieving the compliance regarding the National Credit Act and the conversion to a bankable client.
- The active development and maintenance of a reliable network of competent service providers to ensure that services offered to entrepreneurs are comprehensive, affordable, relevant and accessible. The building of the network of competent service providers requires direct interventions in monitoring and maintaining quality and consistency of service provision.
- The continued establishment and maintenance of a network of single entry points for entrepreneurs, across the province. These centres are located around potential and existing entrepreneurs and staffed by competent personnel. Mobile units complement the centres, and utilizing these units improves the reach and accessibility of the services offered.
- The unconventional initiative geared to address unemployment was constrained by largely spatial challenges. In the further roll-out of the program, the single entry points identify beneficiaries. This ensures continuity, and the beneficiaries could be followed up, reducing the spatial challenges.

Similarly, **Local Economic Development** is faced with municipalities who lack the financial and human resources to implement LED strategies to address priorities. Most of these municipalities face huge challenges in addressing basic services, bulk infrastructure and housing backlogs. This results in allocations for economic development being minimal or completely absent. Addressing their key areas of priority, speaks to creating part of the enabling economic environment required for stimulation of economic activity. But at the rate of accelerated delivery required, this is inadequate.

Implementing partners and a credible network of service providers who are prepared to work across the breadth of the province, is a constraint that impacts on delivery. This challenge can be overcome by the willingness and enthusiasm of partners to align their programmes with national and provincial programmes in order to maximize integrated government impact. The sub-programme will focus on interventions targeted at local level to promote increased economic participation. This will require both financial and human resource capacity as indicated by the demand at municipal level. To address the aforementioned, interventions aimed at partnerships and alignment of provincial, national and local government programmes will be undertaken.

The ability to increase identification and access of new business opportunities is a priority of the sub-programme. Linked to this is the role that local, regional and national business can and is playing in a local economy. There will be active engagement and recruitment of these partners, and attempts will be made to understand problems experienced. The design of appropriate support measures to address these problems will be prioritized especially in rural municipalities. All projects and programmes will be subject to a system of monitoring and evaluation measures.

The **Economic Empowerment** sub-programme is to a large extent dependent on national legislation for the effective implementation of BBBEE in the province. After long delays, the BBBEE codes of good practice were finally gazetted in February 2007.

Another constant constraint is the lack of access to funding, thereby slowing down the implementation of BBBEE deals in the Western Cape. The slow progress of the gazetting of sector charters has also had a negative effect on the implementation progress of BBBEE in the Western Cape.

The alignment of the National PPPFA with the BBBEE codes of good practice between the national Treasury and the dti has delayed the finalization of the provincial PPPFA review process.

Some of the major constraints facing the implementation of BBBEE in the province is the reluctance of established businesses to embrace BBBEE, the lack of skills in some sectors and the paucity of black entrepreneurs in some cases.

While the province's ability to develop and initiate its BEE implementation strategy has been delayed because of the capacity constraints at a national level, the department will be embarking on benchmarking research to better understand the current BEE environment and progress within the province and to obtain feedback and direction with regards to it draft BEE strategy. A pivotal aspect of the strategy revolves around procurement, which is dependent on national processes. By conducting this survey-based research to solicit inputs from our stakeholders, the department will be able to commence implementation immediately after the national accreditation of agencies is completed, and the dti and national Treasury's procurement directive has been finalized.

In the tables to follow, there are a number of annual targets for performance measures that are set at a lower level than for 2007/2008. This is due to inadequate funding allocations to address the considerable deliverables required from this programme. It is particularly evident in areas of enterprise development and economic empowerment. The sub-programmes have identified the most realistic targets achievable within the department's budget envelope.

Description of planned quality improvement measures

Focus:

The focus of the planned quality improvement measures will largely be on the backward and forward linkages required to provide impact to the support interventions designed by the Integrated Economic Development Services programme. A further key focus of the programme will be on supporting and developing persons and enterprises in the informal economy.

Clients/stakeholders and partnership for development:

The client range for the programme includes individuals, groups of individuals, communities, organizations, municipalities and provincial and national government departments. Support interventions designed and developed in any of the three sub-programmes is done with the client profile in mind. Where capacity of the client to take up the interventions does not exist, this needs to be reported and addressed through channels that may be able to assist in this regard. Similarly, if access to our support interventions is a challenge, we need to highlight and profile this for attention as linkages to other government programmes may unlock blockages. This requires that all the sub-programmes stay apprised of developments in the economic development arena and new programmes and practises that can be replicated to suitably address regional challenges we may experience. The measuring of the impact of enterprise development programmes and projects has always been a challenge in not only determining the continuation of the intervention, but also the gaps that exist in the range of services that need to be provided. Since the single entry point will be the main delivery points for the sub-programme's offerings, a sophisticated system of tracking every entrepreneur that has been assisted, is currently implemented at each RED Door and is being refined to the specific needs of the department. In this way, the impact of all interventions on individual entrepreneurs, from basic advice and information to training to provision of finance, can be measured. In addition, the system will also measure the effectiveness and efficiency of all support service providers that are linked to these centres. For the sub-programme's single entry points to have impact, staff should be well qualified, competent and sensitive to the needs of entrepreneurs. Staff at these centres undergoes ongoing training and capacity building to have a general understanding of programmes and projects undertaken by government, partner organizations and particularly the sector initiatives which offer specialized advice. The LED sub-programme will provide strategic direction and support to municipalities on the development and implementation of credible LED strategies through regular engagements, strengthening its key programme the Plek Plan to refine targeted interventions for greater economic participation, and focus on playing a catalyst role with regard to alignment of programmes between spheres of government to ensure the selection of well-planned, appropriate interventions to deliver successful implementation.

Economic Empowerment, in fulfilling its facilitating, advisory and advocacy roles, will form strong partnerships with organizations and agencies such as the National Empowerment Fund, Industrial Development Corporation, the Department of Trade and Industry, Chambers of Commerce and other relevant stakeholders.

Monitoring, evaluation and review:

Monitoring and evaluation of programmes and interventions is a necessity, given the demand-driven nature of our work.

The measuring of the impact of programmes and projects is challenging, but it is necessary to determine the continuation of the intervention and to address the gaps that exist in the range of services that is provided. Reviewing (the reporting of progress and impact) to ensure gaps are highlighted and addressed, is critical.

In Enterprise Development, the RED Door initiative is the main delivery point of the sub programme's offerings. A system of tracking entrepreneurs that has been assisted, is being rolled out at each RED Door. This is aimed at refining the service offering of the department. Economic Empowerment will embark on a continuous process of scientific research and benchmarking exercise in order to ensure that it offers up to date information regarding BEE developments. The unit also undertakes to continuously revamp and refine its programme in order to make it responsive and relevant to new BEE challenges.

Training and developing existing staff:

To implement departmental interventions staff need to be qualified, competent and sensitive to the needs of clients and partners. The Sub-programme: Enterprise Development staff at the RED Door centres undergo ongoing training and capacity building to have a general understanding of programmes and projects undertaken by government partner organizations and accredited service providers, and particularly in the sector of specialized business advice. The methodology used here will be adapted for the other sub-programmes where applicable. The unit will also set aside funds for specific BEE seminars that are offered by specialists in this ever-changing field. The unit's aim is to create an environment of continuous learning in order to stay abreast of developments in the arena of BBBEE.

Communication:

The communication of services rendered by the programme is seen as a key ingredient in ensuring that clients are aware of services offered by the programme. This communication strategy will ensure that services offered are effectively targeted and developed for specific client needs and the correct target market is attracted.

4.1 SUB-PROGRAMME 2.2: ENTERPRISE DEVELOPMENT

Policies, priorities and strategic objectives

The policies and strategies of the sub-programme have been planned and decided upon after thoroughly examining key national and provincial policy documents and frameworks. These include the National Small Business Act (as amended in 2004), the Co-operatives Act 14 of 2005, the Integrated Small Enterprise Development Strategy, Broad-based Black Economic Empowerment Strategy and the Micro-economic Reform Strategy. Documents such as the Integrated Manufacturing Strategy, the Advanced Manufacturing and Development Strategy (national and provincial) have also tempered the strategy of the sub-programme.

In contributing to integrated provincial economic development and growth, the agreement reached between social partners at the Provincial Growth and Development Summit has been infused into the strategy of the unit. The very recently produced provincial Micro Economic Development Strategy has further undoubtedly guided the strategy for enterprise development in the Western Cape. Of equal importance is the fact that the strategy is guided and underpinned by the principles as enshrined in Ikapa Elihlumayo.

Informed by the above documents, the department has developed and implemented a set of interventions, the Real Enterprise Development (RED) Initiative, to address the challenges confronting SMEs and to create an enabling environment for growth. The RED Initiative is intended to integrate the fragmented service delivery to SMEs in the province. It provides for both the non-financial and financial support to SMEs in the formal and informal economy, and pays particular attention to spatial spread of SME services in the districts.

The sub-programme has established the principles and key elements which guide and inform the department's interventions and the RED Initiative. These are as follows:

- business support services should be spatially located to ensure accessibility,
- business support services should be efficient and cost-effective,
- entrepreneurs need access to market opportunities through procurement opportunities and upward and downward business linkages,
- entrepreneurs require access to finance and non-financial resources, and
- entrepreneurs require skills development at a variety of levels, and entrepreneurs require access to infrastructure.

To give effect to the above policies and strategies, this sub-programme has the following priorities:

To create an environment that enhances the development and growth of small business by:

- Nurturing a climate of entrepreneurship through a proactive communication programme, which includes RED Outreach Initiatives into communities and targeting the vulnerable groups.
- Utilizing the RED Door and the mobile service as the single entry point business centre infrastructure, providing an interface by which SMEs can assess financial and non-financial support offered by the department and channelling all SME interventions offered by the department, including partnerships, through the RED Doors.
- Building partnerships and facilitating a SME network forum with SEDA. The department will seek to harness as opposed to duplicate the interventions offered by other service providers, building these partners' capacity through training initiatives, and addressing challenges and service-offering gaps along the entire SME growth-chain. To this end, research will be conducted to map all SME support offerings by government, NGOs and corporates.
- Rolling out a voucher program that encompasses services such as business plan writing, feasibility studies, health check mentorship, marketing tools, and cooperative set up vouchers. It focuses on support

in enabling entrepreneurs to establish and grow through the development of critical skills and access to business advisors. The department will be seeking to strengthen these interventions through the expansion of the silver team project, which harnesses the experience and expertise of retired business people.

- Developing interventions designed to facilitate a nurturing environment within the informal economy and assisting the informal economy graduation into the formal economy. The sub-programme will be focused on addressing the broader environment and conditions in which the informal economy operates, such as access to basic services. As well as offering generic support in the development of business skills and access to opportunities, the department will be complementing the broader interventions with a nuanced approach which recognises that some of the growth challenges faced by the second economy operators require sector-specific interventions to leverage and strengthen their bargaining power in relation to the formal sector. This programme will include the cooperative development programme which aimed at resource mobilization through the development of community enterprises.
- Implementing monitoring and evaluation of these programs is required to ensure consistent service levels are maintained and programs address the needs of entrepreneurs. It also allows the department to continuously improve its offerings to SMEs.

To nurture and encourage entrepreneurship by:

- Embarking on interventions, which reach urban and rural communities and stakeholders, and which also address the needs of the informal sector and the migration from second to first economy.

Specification of measurable objectives and performance indicators

Strategic objective		To create employment, especially for the presently unemployed To increase the levels of participation in the economy by all, especially the previously excluded and presently marginalised							
Measurable objective	Performance measure or indicator	2007/2008 (estimate)	2008/2009 (target)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2009/2010 (target)	2010/2011 (target)
Maintain and monitor existing conveniently located SME service support centres.	Number of conveniently located service support centres maintained	11	11	11	11	11	11	14	15
	Number of entrepreneurs assisted with business support with particular emphasis on the Premier's 21 priority areas	1 800	1 800	400	450	450	500	2250	2500
	Number of clients accessing information		2000	500	750	250	500	2250	2500
Design and implement outreach activities from each SME support centre	Number of entrepreneurs receiving training	600	600	100	150	150	200	750	800
	Number of businesses assisted with tender information		40	8	15	7	10	45	50
	Number of outreach programmes undertaken with particular emphasis on the Premier's 21 priority areas	120	120	40	40	20	20	120	120

Strategic objective		To create employment, especially for the presently unemployed To increase the levels of participation in the economy by all, especially the previously excluded and presently marginalised								
Measurable objective	Performance measure or indicator	2007/2008 (estimate)	2008/2009 (target)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2009/2010 (target)	2010/2011 (target)	
Maintain mobile SME support services	Number of mobile SME support service centres maintained with particular emphasis on the Premier's 21 priority areas	4	5	4	4	4	5	6	7	
	Number of entrepreneurs supported with particular emphasis on the Premier's 21 priority areas	1400	1450	350	450	300	350	1500	1550	
Establish awareness around programs and initiatives of the ED unit	Number interventions implemented with particular emphasis on the Premier's 21 priority areas		3		1		2	4	5	
	Number of articles published		24	7	5	5	7	24	24	
Programmes and projects that address the needs of small businesses, business associations, and entrepreneurs in local areas and communities	Number of entrepreneurs assisted with business plans with particular emphasis on the Premier's 21 priority areas (Rural business development programme)	240	80	24	24	16	16	250	260	

Strategic objective		To create employment, especially for the presently unemployed To increase the levels of participation in the economy by all, especially the previously excluded and presently marginalised								
		2007/2008 (estimate)	2008/2009 (target)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2009/2010 (target)	2010/2011 (target)	
Measurable objective	Performance measure or indicator									
	Number of entrepreneurs assisted through mentorship programmes with particular emphasis on the Premier's 21 priority areas (Rural business development programme)		30	7	10	5	8	40	50	
	Number of entrepreneurs assisted through marketing support with particular emphasis on the Premier's 21 priority areas (Rural business development programme)		20	5	7	4	4	25	30	
	Number of projects identified from SME research	1 research Document completed	1				1	1	1	
	Number of city vouchers issued for business support with particular emphasis on the Premier's 21 priority areas.	600	600	150	150	150	150	800	900	

Strategic objective		To create employment, especially for the presently unemployed To increase the levels of participation in the economy by all, especially the previously excluded and presently marginalised								
Measurable objective	Performance measure or indicator	2007/2008 (estimate)	2008/2009 (target)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2009/2010 (target)	2010/2011 (target)	
Co-host the annual collaborative event with private & public sector partners showcasing real business opportunities and linkages (Small Business Week)	Number of attendees	4750	4750			4750		4850	5000	
	Number of exhibitors	60	60			60		60	60	
Support the roll-out of a structured curriculum of accredited business training courses available through the SME support centres (RED campus)	Number of engagements with partners driving curriculum development on business training courses access									
			4	1	1	1	1	4	4	
Facilitate access to finance for entrepreneurs considered "unbankable" (BASP)	Number of entrepreneurs accessing loans with particular emphasis on the Premier's 21 priority areas	200	140			70	70	200	240	
	Number of entrepreneurs assisted with non financial support with particular emphasis on the Premier's 21 priority areas	240	140		70	70		200	240	

Strategic objective		To create employment, especially for the presently unemployed To increase the levels of participation in the economy by all, especially the previously excluded and presently marginalised								
Measurable objective	Performance measure or indicator	2007/2008 (estimate)	2008/2009 (target)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2009/2010 (target)	2010/2011 (target)	
Implement a provincial cooperatives development strategy	Number of co-ops assisted financially	20	6		2	2	2	10	15	
	Number of vouchers issued to assist entrepreneurs through the cooperatives mentorship programme with particular emphasis on the Premier's 21 priority areas.	120	80		30	20	30	125	130	
	Number of co-ops assisted with non financial support with particular emphasis on the Premier's 21 priority areas	20	6		2	2	2	10	15	
Design, implement and maintain unconventional interventions geared towards promoting and supporting the informal sector (Survivalist Programme)	Number of entrepreneurs assisted financially with particular emphasis on the premier's 21 priority areas		50		20		30	120	150	
	Number of entrepreneurs assisted with non financial support with particular emphasis on the Premier's 21 priority areas		100		50		50	120	150	

Strategic objective		To create employment, especially for the presently unemployed To increase the levels of participation in the economy by all, especially the previously excluded and presently marginalised								
Measurable objective	Performance measure or indicator	2007/2008 (estimate)	2008/2009 (target)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2009/2010 (target)	2010/2011 (target)	
Design and implement an intervention to support SME service providers (RED support network)	Number of interventions to capacitate service providers with particular emphasis on the Premier's 21 priority areas		1				1	1	1	
Research and develop products aimed at SMEs (RED product development)	Number of new and innovative programmes offering a product		1				1	1	1	
Development of a program to track entrepreneurs (to inform M & E review) (RED tracker)	Number of entrepreneurs tracked through red tracker		22		10	12	Consolidated Report	25	30	

4.2 SUB-PROGRAMME 2.3: LOCAL ECONOMIC DEVELOPMENT

Specified policies, priorities and strategic objectives

The strategies, policies and legislative mandates that inform the work of the LED sub-programme are the Municipal Structures and Systems Act (2000), Regional Industrial Development Strategy and ASGI-SA. Other important strategies which inform the work of the LED sub-programme are the Provincial Spatial Development Framework and the Integrated Tourism Development Framework for the Western Cape. The PSDF is intended to be the spatial expression of the Provincial Growth and Development Plan (PGDP) and aims to guide municipal (district, local and metropolitan) IDPs, SDFs and SDPs. Because of the importance of tourism in local economic development, the ITDF also informs the work of the LED sub-programme. These legislative and policy frameworks provide for the guidance of local economic development strategies by the province and department as a whole.

Other major sectors driving economic performance in the Western Cape include construction (4,5%), financial and business services (5,3%), wholesale and retail trade (9,7%) and transport and communication (5,2%). It should be noted that the City of Cape Town accounts for the lion share of the province's economic activity as indicated in **FIGURE 4.3** below.

FIGURE 4.3: City and district sectoral contributions to Western Cape GDP, 2004

Sectors	Central Karoo	Overberg	West Coast	Eden District	Cape Winelands	City of Cape Town
	%	%	%	%	%	%
Agriculture, forestry & fishing	1.2	11.0	17.1	9.6	33.9	27.2
Mining	0.2	0.7	18.5	13.5	10.4	56.8
Manufacturing	0.2	2.0	4.5	5.6	12.7	75.0
Electricity and water	0.4	2.5	4.1	11.5	3.4	78.1
Construction	0.7	3.5	4.4	10.3	9.3	71.8
Wholesale & retail trade, catering & accomodation	0.5	2.6	3.8	6.8	9.3	77.1
Transport & communication	1.0	1.6	3.4	4.8	7.7	81.5
Financial & business services	0.3	1.2	1.9	4.8	7.4	84.4
CSP services	0.5	2.7	4.5	6.3	9.3	76.6
General government services	0.6	2.3	3.7	7.2	12.1	74.2
Overall contribution to Western Cape GDP	0.5	2.4	4.0	6.2	10.5	76.5

Source: PERO, 2007, pg 188

To give effect to the above policies and strategies, this sub-programme has the following priorities:

To identify, facilitate and support economic opportunities for local government and persons, to achieve and promote local economic development through:

- Aligning and planning all strategies, plans, practices, procedures and resources in achieving the department's core service delivery objectives.
- Ensuring practical alignment of departmental programmes with national and provincial objectives (e.g. ASGI-SA, the PGDS, etc) through regional development initiatives (e.g. ISRDP and URP), and actively optimize provincial government's spending.

To ensure the establishment of effective economic development at local (municipal) level, by:

- Providing guidance, support and capacity to municipalities in achieving economic development through IDP assessments, reviews and support interventions like the "**Plek Plan Programme**" to strengthen their institutional capacity and competency.
- Supporting the processes to secure sound municipal economic baseline data to inform LED strategy development by municipalities, that is informed by the MEDS, and ensures spatial spread of economic support interventions and alignment that will guide local government in achieving increased economic participation.

To promote increased targeted economy activity, by:

- Assisting in the development of targeted interventions for local areas based on sector and theme profiles of local regions, global intelligence from Wesgro IQ and partnerships that will link with departmental interventions like RED Doors, and programmes to support cooperatives, etc.
- Facilitating and implementing pioneering projects, through a Rural Economic Assistance Fund (REAF), with municipalities, that will increase black ownership, women's participation, and opportunities for the disabled and the youth.

Ensuring that citizens of the province are fully informed of the offerings of all 3 spheres of government, by:

- Creating awareness and providing access for urban, rural and township communities to departmental and national support programmes and benefits, like one-stop-shop advice and business support centres, cooperative development and incentives programmes.

SPECIFICATION OF MEASURABLE OBJECTIVES AND PERFORMANCE INDICATORS

Strategic objective		To increase the levels of participation in the economy by all, especially the previously excluded and presently marginalised								
Measurable objective	Performance measure or indicator	2007/2008 (estimate)	2008/2009 (target)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2009/2010 (target)	2010/2011 (target)	
Providing guidance, and support intervention and capacity to municipalities	Number of IDP assessments completed for the municipalities	30	30	30				30	30	
	Number of IDP's reviewed		30				30			
	Number of LG LED strategies supported evaluated	30	30		10	10	10	30	30	
	Number of community assistance referrals dealt with		50	10	15	15	10	75	100	
	Number of engagements to provide expert advice and non financial support		40	10	10	10	10	10	50	60
Provide information and advice through the identification, creation and provision of economic opportunities in local regions	Number of Plek Plan offices maintained	10	10	10	10	10	10	10	10	
	Number of eco profiles compiled to inform LG LED strategies & plans	24	29			29		29	29	

Strategic objective		To increase the levels of participation in the economy by all, especially the previously excluded and presently marginalised							
Measurable objective	Performance measure or indicator	2007/2008 (estimate)	2008/2009 (target)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2009/2010 (target)	2010/2011 (target)
	Number of identified opportunities submitted to other relevant govt and DEDT departmental units for further support	10	9		2	3	4	15	20
	Number of draft opportunities profiled through Wesgro IQ		9		3	3	3	12	15
	Number of identified interventions that are economically viable and that can be supported- with specific impact on ISRDP, URP and ASGISA priorities	3	4				4	5	6
	Number of projects impacted on through skills development, job creation, etc., through collaboration with other departments	3 proposals that require joint effort with other dept(s) for development	5				5	7	9

Strategic objective		To increase the levels of participation in the economy by all, especially the previously excluded and presently marginalised								
Measurable objective	Performance measure or indicator	2007/2008 (estimate)	2008/2009 (target)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2009/2010 (target)	2010/2011 (target)	
Provide support to project development & implementing pilot projects (REAF)	Number of project proposals evaluated	5 viable opp. investigated for project development	6		2	2	2	7	9	
	Number of projects supported financially with particular emphasis on the Premier's 21 priority areas		2				2	4	6	
	Number of projects assisted with non financial support with particular emphasis on the Premier's 21 priority areas									
To build awareness and provide access to urban, rural and township communities to departmental, provincial and national programmes at local level	Number of provincial wide engagements held	5	5			3	2	5	5	
	Number of reports finalized	1	1				1	1	1	
	Number of imbizos participated in	2	2		1	1		2	2	

4.3 SUB-PROGRAMME 2.4: ECONOMIC EMPOWERMENT

Specified policies, priorities and strategic objectives

The strategies and agreements that will inform the objectives and activities of the sub-programme are the national Broad-Based Black Economic Empowerment Strategy, the provincial Micro-economic Development Strategy (MEDS), Sector Charters, Codes of Good Practise and the Provincial Growth and Development Summit Framework Agreement.

The rationale for empowerment aims to redress the economic exclusion of the majority of South Africans, hereby creating a more equitable and stronger economy. The targeted groups of women, youth, the disabled and the rurally located deserve special attention in ensuring that they are able to substantially increase their contribution and participation in the economy. Therefore, the unit will facilitate and promote programmes that will facilitate and ease entry into the mainstream economy, and will increase the contribution and participation of all in the economy of the Western Cape.

The Western Cape's BBBEE implementation strategy focuses on a comprehensive set of tools with which to leverage and strengthen the BBBEE codes. This strategy will create an enabling environment to facilitate matchmaking linkages between BBBEE companies and large established companies and corporates, remove misconceptions about BBBEE and nurture the "spirit" of BBBEE.

To give effect to the above, the following principles, themes and priorities have emerged from the finalized draft BBBEE implementation strategy. These themes will be developed and further refined as the department solicits inputs from its stakeholders.

The sub-programme has developed the following priorities:

Implementing a communication strategy:

With respect to business, the most important objective is confidence and building trust. Research has consistently shown that there is a lack of understanding by business of what is required for BBBEE. Those who do understand it, see it as part of the compliance burden – a ticking of boxes.

A communication strategy is therefore extremely important. DEDT will design a strategy to effectively communicate the provincial BEE implementation plan to all relevant stakeholders. Encompassed within this communication strategy will be a set of interventions designed not only to promote the spirit of BBBEE and demystify the BBBEE codes, but to create awareness of the support mechanisms offered by the department.

Commissioning research into BEE status and constraints within the province:


There is a dearth of information on the current BEE status and climate within the province. The research, through the MEDS, will seek to understand the needs, constraints and perceptions of not only the BEE companies, but also of that of the established companies and corporations. The study will also serve as a benchmarking exercise, allowing the department to establish credible targets with which to monitor progress.

Facilitating procurement and tenders:

The area of BBBEE implementation that is mostly within the ambit of the state is the procurement chain of the state and the state-owned enterprises. Hence, the Provincial Procurement Policy of the Government of the Western Cape will be a vital leveraging initiative to promote and encourage the adoption of BEE within the more established private sector, while providing direct opportunities to BEE companies. In tandem to this, the sub-programme will also be playing an advocacy role in making government procurement opportunities more accessible to BEE companies through reduction of procurement red tape and the costs associated with this, a more efficient communication of opportunities and tenders within government, as well as training support to BEE SMEs who wish to tender for the first time for government contracts.

Providing accreditation:

A key outcome of the department's interventions is to improve companies' BEE status within the accreditation process. However, the challenges of roll-out, accessibility and cost of accreditation are hampering the implementation of the BEE strategy. Consequently, the department will be developing interventions which seek to address these constraints directly, including the development of an integrated database of BEE suppliers in the country, which



will assist provincial government in their BEE procurement roll-out, and also help white established entities, foreign investors and BEEs from other provinces. This database will harness and refine the national database which will be created through the accreditation website. This database will provide a pivotal platform for proactive matchmaking initiatives for joint ventures, equity transactions and for procurement.

Facilitating access to finance:

The department and our national counterpart offer a range of finance assistance packages to SMEs, including BEE companies. However, specifically with respect to BBEE, there are challenges with regard to equity financing and bridging finance. Therefore the EE unit will facilitate better access to finance for BEE businesses and possibly even develop a mechanism for bridging finance.

Supporting skills development and employment equity:

Code 300, Employment Equity, measures initiatives that are intended to achieve equality in the workplace and Code 400, Skills Development, measures the extent to which employers carry out initiatives designed to develop the competencies of black people. The Workforce Development Unit within programme 3 has initiated an overarching skills development strategy and facilitated skills sector strategies within the priority industries. Using the channel of the Workforce Development Initiatives, EE will develop a supporting mechanism for enterprises within these sectors to strengthen their skills development and employment equity plans and where applicable, reach their sector charter targets. This intervention will complement the supporting skills development programmes already offered by the Workforce Development Unit.

Facilitate and support enterprise development:

Code 600 measures the extent to which enterprises carry out initiatives aimed at contributing to enterprise development, while Code 700 measures the extent to which enterprises carry out initiatives aimed at contributing to socio-economic development and promoting access to the economy for black people. Companies are able to claim BEE credits up to a maximum percentage of their profits if they make financial contributions towards enterprise development or socio-economic initiatives. The department will facilitate a "match-making" programme where companies can easily identify programmes and initiatives which they wish to support and where the department has pre-facilitated "recognition" of these development initiatives by the national accreditation agencies and the dti. The initial phase of this project will focus on internal departmental programmes.

Collaboration and partnerships:

The department intends to harness not only the leveraging power of provincial and local government departments and public entities through their procurement systems and BEE policies, but also nurture strong relationships with the social partners in order to launch joint BEE programmes. The department firmly believes that this BEE implementation strategy will have greater success with the full participation of the private sector in its implementation.

SPECIFICATION OF MEASURABLE OBJECTIVES AND PERFORMANCE INDICATORS

Strategic objective		To make ownership of the economy representative of the demography of the province To increase the levels of participation in the economy by all, especially the previously excluded and presently marginalised								
Measurable objective	Performance measure or indicator	2007/2008 (estimate)	2008/2009 (target)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2009/2010 (target)	2010/2011 (target)	
Develop and implement a strategic framework; the policy environment (e.g. the Preferential Procurement Policy) for the promotion of BBBEE in the Western Cape	Number of programmes/ projects linked to framework	BBBEE Strategic Implementation Plan	3				3	4	5	
	Number of SPVs assessed for alignment to BBBEE		4				4	1 report	1 report	
	Number of departments consulted	Report on the PGWC's PPP status	11				11	11	11	
To provide guidance to municipalities to ensure alignment within IDPs around BBBEE	Number of municipalities consulted	5	10				10	20	29	
Facilitate the promotion of: Spatial spread of economic empowerment (greater economic participation) by the vulnerable groups and development support (financial & non-financial) for economic empowerment project proposals per the vulnerable groups	Number of IDPs reflecting BBBEE plans, programmes or projects (5 DM & 1 Metro)		6				6	11	22	
	Number of advisory forum dialogues in partnership with the vulnerable groups & LG		12	4	4	4		16	16	
	Number of women-owned businesses registered on a provincial-wide BBBEE database	Establishment of BBBEE database					Establishment of BBBEE database	350	400	

Strategic objective		To make ownership of the economy representative of the demography of the province To increase the levels of participation in the economy by all, especially the previously excluded and presently marginalised								
Measurable objective	Performance measure or indicator	2007/2008 (estimate)	2008/2009 (target)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2009/2010 (target)	2010/2011 (target)	
	Number of youth – owned businesses registered on a provincial-wide BBBEE database		Establishment of BBBEE database				Establishment of BBBEE database	350	450	
	Number of persons with disability -owned businesses registered on a provincial-wide BBBEE database		Establishment of BBBEE database				Establishment of BBBEE database	150	200	
	Number of viable proposals sourced and linked to the database for development		2				2	6	9	
Ensure marketing, promotion and education on BBBEE within the province	Number of viable business proposals referred to partners (financial support) for further development with particular emphasis on the Premier's 21 priority areas		10				10	16	16	
	Number of programmes/projects aimed at marketing & promotion of BBBEE		2			1	1	1	1	
	Number of information sessions (education) on BBBEE charters and scorecards	4	6		3	2	1	8	10	

Strategic objective		To make ownership of the economy representative of the demography of the province To increase the levels of participation in the economy by all, especially the previously excluded and presently marginalised							
Measurable objective	Performance measure or indicator	2007/2008 (estimate)	2008/2009 (target)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2009/2010 (target)	2010/2011 (target)
	Number of sectors targeted (where charters are non-existent, & BEE awareness is not evident)		12	2	4	4	2	15	15
	Number of the annual newsletter printed	500	500				500	1500	2000
	Number of distribution points for the annual newsletter	50	50				50	200	300

4.4 RECONCILIATION OF BUDGET WITH PLAN (R'000)

Sub-programme	Year - 2 2005/2006 (actual)	Year - 1 2006/2007 (actual)	Base year 2007/2008 (estimate)	Year 1 2008/2009 (budget)	Year 2 2009/2010 (MTEF projection)	Year 3 2010/2011 (MTEF projection)
Management	1 210	1 705	3 431	3 412	3 979	4 147
Enterprise Development	23 838	28 062	38 260	34 565	35 258	37 927
Local Economic Development	5 856	14 212	17 395	14 595	16 271	16 425
Economic Empowerment	3 181	1 940	3 594	4 378	4 482	4 573
Total programme	34 085	45 919	62 680	56 950	59 990	63 072

4.5 COORDINATION, COOPERATION AND OUTSOURCING PLANS

Interdepartmental linkages

The following are some of the programmes that LED is jointly responsible for, with other departments:

- **IDP assessments** with LG&H, Department of the Premier and provincial treasury: Through MTEC engagement, the LED unit ensures that municipality produce credible LED strategies as one of the sector plans of the municipal IDPs.
- **Nodal Economic Development Strategy** with DPLG, LG&H and Independent Development Trust: Through LED workshops in the nodal areas for both ISRDP and URP nodes are working with the above-mentioned partners to ensure that the provincial nodal areas are able to translate the nodal economic development profile and identified economic opportunities (by DPLG & Business Trust) into sustainable economic development strategies and projects.
- Expanded public works programme with Department of Transport & Public Works, NDPW, CIDB and LG&H: The unit provides a link to the RED Door centres to be utilized as base for the development of emerging black contractors through EPWP contractor development programme. The centres also contribute business advice and support to the EPWP contractor development programme.

Local government linkages

The LED unit with the department provides direction and management support to promote sound and effective relationships with local government, by:

- Strategically directing and managing the provision of guidance, support and capacity to municipalities, through: IDP assessments and reviews, LER facilitate LED workshops to assist all local and district municipalities with the implementation of municipal LED strategies and the outcome of the DGDS, development of LED strategies and plans, institutional capacity building development, access and awareness on departmental, provincial and national policy, programmes and directives that will strengthen the institutional capacity of municipalities. It provides ongoing support through REAF and the Plek Plan programme LED provides ongoing support to municipal identified projects.

Strategically directing and managing the coordination departmental intervention that is aligned with national and provincial objectives (e.g. NSDP, PGDS) through regional development initiatives (e.g. ISRDP, URP).

5. PROGRAMME 3: TRADE AND INDUSTRY DEVELOPMENT

The purpose of the programme is to accelerate growth, facilitate the conditions for employment creation, increase the pace of transformation and improve competitiveness within targeted sectors, with a particular emphasis on the second economy and skills interventions.

The programme is structured as follows:

- Management: Trade and Industry Development,
- Trade and Investment Promotion,
- Sector Development, and
- Industry Development.

Specified policies, priorities and strategic objectives

Framed within the National Growth and Development Strategy vision and the iKapa Elihlumayo vision and goals, the Micro-economic Development Strategy underpins the Department of Economic Development and Tourism's (DEDT) economic sectoral and thematic strategies. Contextualised by a stable macro-economic environment, the micro-economic development sector and thematic strategies within the department seek to accelerate growth, create employment, increase ownership of the economy and ensure that industries become globally competitive in line with the overall goals of iKapa Elihlumayo. A cross-cutting theme running across all interventions is a priority on skills and the second economy, as a means to reduce the inequalities in the province.

The Micro-economic Development Strategy research has assessed and prioritized sectors in accordance with the iKapa Elihlumayo growth strategy, and has evaluated the sectors against two sets of criteria. The first set evaluates the potential that particular sectors offer for growth, employment expansion and broad-based black economic empowerment. The second set looks at the relative cost and the likely impact of a combination of proposed interventions within a sector on the economy as a whole. Through a process of filters and using a variety of assessment models the MEDS has assessed and categorised each sector in terms of its potential impact on the Western Cape economy. These sectors fall within the following broad categories:

- **Priority sectors** which reflect sectors that have high impact in terms of growth and job creation, and in which the department will initiate and implement proactive and significant interventions. These sectors are the oil and gas supply industry, the information and communication technology sector, business process outsourcing and the creative industries.

The offshore **oil and gas** supply industry is a source of significant current and future job opportunities, and has an important multiplier effect into the metals and engineering sector particularly. Growth within the oil and gas cluster has been curtailed by a lack of available skills. This has been identified by the industry as the most urgent impediment against growth and expansion. The skills development priority seeks to significantly broaden and deepen the current skills programmes within the sector and introduce new initiatives. This will ensure an adequate supply of labour to allow for growth while simultaneously achieving our main objectives of increasing employment and addressing transformation imperatives. A further key thrust in achieving a globally recognised capability will be the facilitation of critical infra-structure such as a dedicated oil and gas dry dock and supply hub.

Business Process Outsourcing (BPO) is one of the two most important sectors identified by ASGI-SA (the other sector been tourism) to spearhead the country's accelerated path to high growth and increased employment with a pro-poor focus. The province's key priority sectors are in line with the national imperatives, and BPO is considered one of the most critical sectors of the Western Cape. However, given the specific comparative advantage of the region, **information communication technology** has also been identified as one of four high growth industries in the provincial iKapa strategy.

For growth and transformation accessibility, both of these sectors are heavily dependent on a competitively priced, robust telecommunications infrastructure. While telecommunication infrastructure does not fall within the mandated competency of the department, the cluster unit will seek to provide a catalyst for the province to ensure that there is a provincial and municipality specific telecommunication strategy and proactive initiatives.

In investigating and analysing the value-chain of the **creative industries**, the key barrier for the growth and development of the indigenous creative industries is the lack of access to enabling infrastructure with which to develop markets, both local and international. This impediment has been identified across a broad range of creative sub sectors – from film, where a detailed study has been conducted, to our initial investigations in music. Consequently, one of the key priorities within the creative industries will support the development of infrastructural nodes to allow the synergistic development and growth of the creative industries coupled with the informal sector and tourism needs.

Ongoing research into the creative industries sector by the department as well as findings emanating from consultation processes with sub sector players have unveiled the following broad areas of strategic focus in the forthcoming financial year:

- Special priority focus to be given to those sub sectors which lend themselves to technological upgrading with a view to achieving innovation-based global competitiveness. These will include more especially the film, broadcasting and audiovisual new media industries as well as the music industry.
- An integrated approach to the creative industries cluster, in view of the recognition of the interdependence and interrelated nature of the various sub sectors, to achieve optimum growth and development in the areas of skills development, enterprise development, development of local markets, design and innovation and linkages of cultural and arts based products for the tourism market.
- **Significant sectors** that have a medium impact on the provincial economy in terms of growth and job stabilization and creation, and in which the department will implement proactive measures and interventions to ensure realization of potential or stability of the particular industry. Sectors falling within this tier include clothing and textiles, metals and engineering, furniture and agriprocessing. These include interventions around the mature manufacturing sectors where job preservation is critical.

The **clothing and textile** industry is a major employer in the province. The industry is under considerable stress and should be supported in terms of retaining employment. The MEDS asserts that the industry could be largely eliminated within the next ten years should no interventions occur. Clothing and textiles will continue to be a significant sector for the directorate, with a focus on upgrading the competitiveness of both CMTs and formal manufacturers, as well as improving the relationship across the value chain. Interventions and support will continue in the tooling, furniture, boat-building and auto sectors.

The **agri- and food processing sectors** have been comprehensively researched through the MEDS process. There are some significant opportunities particularly in the food processing sectors, and certain niches of the agrisectors, although the fishing industry faces serious growth constraints, including a dwindling resource base. To counter this, the MEDS suggests that alternative economic activities be introduced in order to reduce pressure on the fishing sector, a key element of which is the support for the aquaculture sector.

- **Watchlist sectors** are sectors that encompass a range of industries that currently do not offer significant impact in terms of growth and employment or where provincial government interventions will not have much of an influence. The department's assistance and interventions in these industries will be reactive and within the confines of the budget. Mindful that opportunities may arise or the business environment may change, the department will periodically review the "watchlist sectors". Sectors falling within this category are fishing, financial services, biotech, renewable technologies and electronics.

Given the integration of the Western Cape with respect to the world economy, the categorization of sectors is subject to change, pending shifts in the regional, national and global markets, pending policy direction emanating from national government via ASGISA, and pending shifts within sectors. The department will also additionally focus and further analyze sectors which have been highlighted by ASGISA and the PGDS. This includes a further analysis of the impact of the creative industries on the economy.

For each sector of focus, there will be a MEDS strategy that will include a long-term vision, long-term job targets and a set of interventions to realize the vision and targets. These interventions may be housed within the department or be outsourced.

These sector strategies will in turn provide guidance and direction to other stakeholders such as the SPVs and public entities with regard to their role in the value-chain and in terms of the implementation of the interventions.

Key themes that will underpin all sector strategies will be:

- **Trade and investment promotion:** The Wesgro budget is contained within this programme and has clear targets and deliverables. The institutional review process recommended the strengthening of Wesgro in terms of capacity and funding, as well as the joint marketing with CTRU. The focus over the year ahead will be in building capacity, and particularly the capability to target key investments in a more proactive approach. Key sectoral targets have been identified, with Wesgro working hand in hand with the SPVs where appropriate. This approach ensures that no duplication occurs across the sector and trade and investment programmes. Increased support has been provided to ensure the Wesgro facilitation unit is properly resourced as well as Wesgro IQ.
- **Workforce development:** The strategies and the interventions within the sectors have been informed by the extensive MEDS research and through an ongoing "open window" engagement with the relevant stakeholders and industries. These sector strategies are further strengthened by **Workforce Development and Innovation (WFDI)**, which underpins and supports the sectoral work with interventions of a cross-cutting nature. The sub directorate includes a program focusing on HIV/Aids in the workplace programme.

Growth of the MEDS sectors is dependant on skills development. An investment in skills and human capital assists in building stronger technological capacity, strengthened management and leadership capabilities and enhanced productivity. WFDI completes its investigation and analysis of the demand and supply led research this year, in priority sectors (oil and gas, film, tourism, ICT, BPO) in addition to emerging or "watchlist" sectors of boatbuilding and tooling and will utilize this knowledge for industry specific interventions in partnership with the private sector and educational institutions. WFDI is a critical component of the Human Capital Development Strategy (HCDS), focusing primarily on vocational/professional education and training wherever it is supplied.

The lack of required skills has been identified as the most pressing inhibitor to growth of the private sector and the Western Cape. If the province is to achieve the added growth trajectory expected by ASGI-SA, the department would have to address workforce development as the most vital component of its MEDS strategy. In coordinating HRD strategies with policies of demand side issues however, WFDI links skill formation with economic and industrial strategies and matters of work organization, technology and innovation.

- **Technology and innovation** are vital for economic growth and development. WFDI proactively engages with interventions along various components of the value-chain, adding value, nurturing and assisting the growth of firm level competitiveness.
- Although in its infancy, the sub directorate HIV/Aids interventions are pioneering new policies across sectors such as. boatbuilding, BPO and SMEs in general. Small and medium sized firms often lacking human and financial resources to implement an HIV/Aids plan and thus the unit's intervention is essential in funding such initiatives. HIV prevalence rate in the Western Cape is still the lowest at 15,7% compared to other provinces, nevertheless, strategic policy formation and interventions such as those by the unit is vital to make citizens and their enterprises effective players in the economy and achieve shared growth. The objective of the HIV/Aids strategy of the department is to manage the impact that HIV/Aids has on the economy and to assist HIV-infected employees to continue to be gainfully employed, ensuring that they are able to generate income for themselves and their dependants.

Based on ongoing research by WFDI, extensive MEDS research and findings from the ongoing consultative processes with stakeholders, the sub sector will deliver on the following strategies and interventions for the forthcoming financial year:

- Continue supporting current investments and strengthening stakeholder relationships and activity through formation of innovation clusters, engaging with and or forming forums to oversee the sector's development competitiveness.

- Generating and capturing knowledge flows for competitive advantage, such as the benchmarking of the ICT sector, defining sector interventions through conducting a technology and skills gap analysis as well as career mapping and guidance.
- Strengthening SPV skills interventions in particularly critical and scarce skills programs as well as guide and fund new initiatives.
- Developing an integrated approach with various educational and training institutions through mainly embarking on or referrals on joint projects, as well as showcasing achievements through exhibitions and media coverage. The secondary aim is increasing awareness of the sub directorates facilitative and participative role in the economy as well as increasing appropriate learner interest in careers on offer and project lead flow.
- Increasing funding for certain skills interventions, but because of the scale and need, assist with strategies to leverage funding from other sources.
- Implement awareness and training for SMEs and re-strategize the HIV and Aids units portfolio, consolidating learnings.
- Generate, document and share best practice and overarching research to relevant stakeholders.

In fulfilling the objectives of the department through the development and growth of sectors, the overall approach includes the following components of the core sector framework brief:

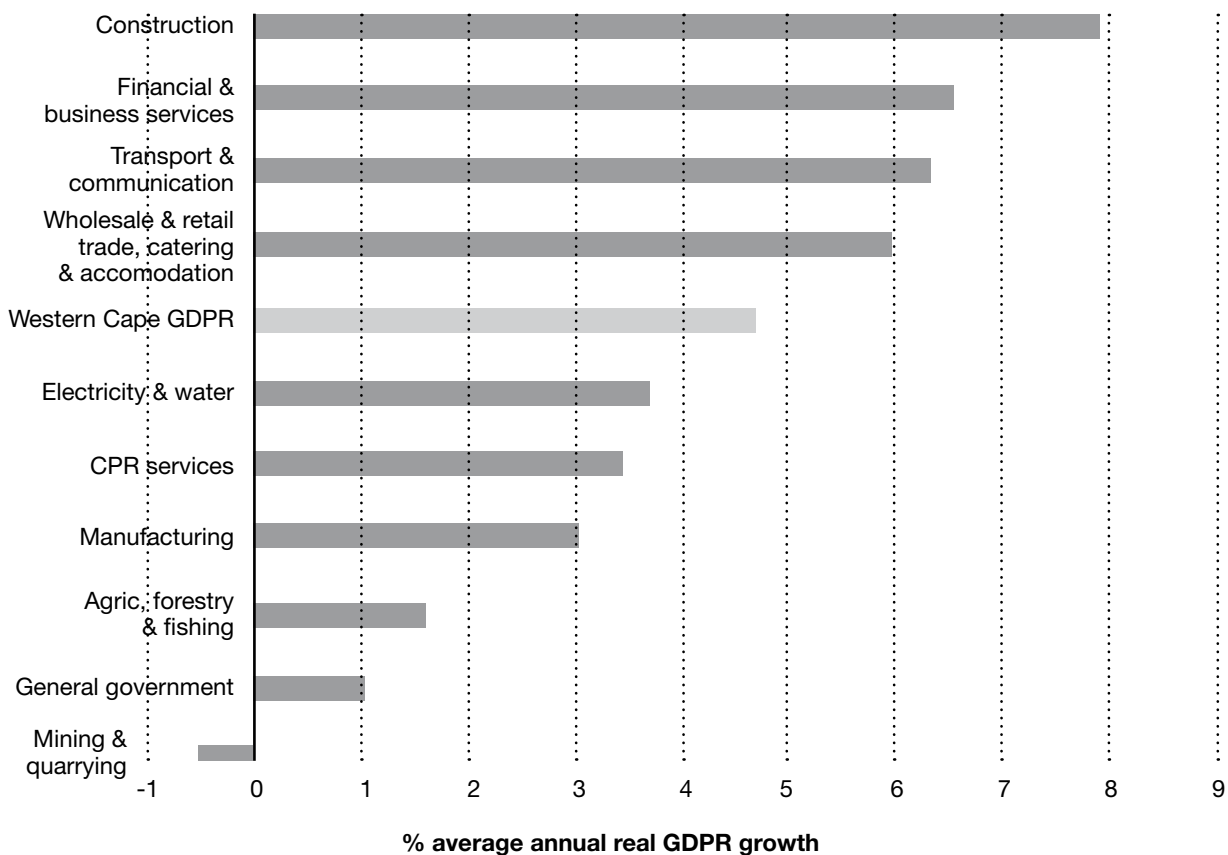
- **Clustering of sectors:** Trade and industry development is structured in units. Each unit consists of industries that tend to share strong synergies along points in the value-chain and/or cross-cutting strategic input factors, and may share common constraints within their respective industries. For example, the need for robust, cost effective telecommunications is pertinent to both the BPO and ICT industries within the services industries cluster. The clustering ensures maximum benefit can be obtained through coordination between affected industries. New sectors within the clusters may be included as more information and new MEDS research becomes available.

Each cluster comprises a number of sectors, and from each sector emanates an interventionist strategy. The MEDS provides the core information and guiding intervention to the sector strategies. Other stakeholders and partners such as the PDC and national government will contribute and shape the sector strategies and interventions, and indeed, over the past year, changes and adaptations have been made to strategies through the process of consultations.

- **Strategy development:** Developing the overarching framework, vision and strategy as guided by iKapa Elihlumayo and informed by the MEDS sectoral research. This includes:
 - Global, national and provincial situation analysis of trends, policy alignment and delineation (including detailed analysis of trends, strengths, opportunities, constraints and blockages).
 - The information and outcomes stemming from the MEDS.
 - The national priority focus on the second economy and informal sector along with the spatial distribution of resources is viewed as a critical component of the work of the chief directorate. Key sectors suitable for second economy development will be targeted for appropriate interventions.
 - The Institutional Review Process (IRP) that concluded an evaluation of the delivery architecture of the key developmental agencies of the province, with recommendations for optimizing the current structure. Key recommendations included:
 - the strengthening of joint marketing between CTRU and Wesgro,
 - the development of a megaproject development capability in the form of Cape catalyst that would be initially housed at Wesgro,
 - the development of a shared services capability to support the SPV programme, and

- underpinning the recommendations was the issue of scale, and need to ramp up the resources dedicated to economic development functions.
- **Prioritization of sectors:** Sectors have been prioritized based on the outcomes of the Micro-economic Development Strategy and selection of sectors will be guided and shaped by the objectives and goals of the provincial government and takes into account provincial stakeholders such as the Provincial Development Council. Principles of selection will include:
 - regularly assessing sectors to ensure that the sectors and interventions are robust, flexible and able to adjust to global trends and opportunities, and
 - allocating resources appropriately and prudently to the sectors that afford stronger opportunities for growth and job creation.
- **Sector and opportunity monitoring and watching:** Monitoring and evaluating sector developments, research, opportunities, policies, and interventions, and measuring these against the goals of the department and iKapa Elihlumayo to ensure alignment against the sector strategies.

FIGURE 5.1: Western Cape real GDP growth by sector: 2000 – 2005



Source: PERO, 2007, pg 57

Progress analysis

Significant progress towards fulfilling the department's mandate has been achieved, namely:

- **Resource-based industries**

The resource-based industries unit has developed an overall strategy for resource-based industries in the Western Cape. In the agriprocessing, fishing and aquaculture sectors the unit has been focusing on policies and strategies for industry development, rural community development, export development and strengthening of partnerships. The honeybush industry strategy was completed in July 2007 and was made possible through the support and funding by the department. In addition anchor and flagship projects identified for this financial year are being implemented, and these include refinement of the food processing strategy, food safety certification support, an export development programme, a market intelligent study for rooibos and honeybush and the wine benchmarking study. The unit is also working with various directorates within the department such as Economic Empowerment and Local Economic Development to facilitate rural development projects for Haarlem and Ericaville communities, both of which are involved in honeybush farming and beneficiation. The rural community development processes underway in the project's reference sites in Haarlem and Ericaville have successfully reached the stage of prioritizing a set of options and interventions to improve the competitiveness of their respective supplies or value-chains.

The finalization of the rooibos trademark case has been receiving substantial attention between various officials of the government, including legal services and Rooibos Ltd. Legal services has drawn a list of chronological events, from which a submission will be prepared and submitted to the relevant MEC. The unit is also participating in the Provincial Development Council (PDC) and the implementation of the PDC Agricultural and Agribusiness Strategy. Stakeholders include the public, parastatals and private institutions, organized business, labour, research institutions, financing institutions and government.

The successes of the fishing and aquaculture sectors are:

- strengthened and deepened stakeholder support under the PDC umbrella,
- created a platform where stakeholders could provide an alternative fishing strategy (CREAD-TURF) to the existing quota system,
- have developed an aquaculture draft policy document that will become the provincial policy, and
- engaged with other government departments in our programme to develop the rural fishing villages and towns programme, with a focus to date on Doringbaai.

- **Manufacturing**

Within the marine cluster, critical capabilities have been put in place towards developing Cape Town as an oil and gas supply hub. The R155m Saldanha fabrication facility has been completed, and was launched during November 2007 by the Deputy President. The A-berth repair quay agreement should be signed by March 2008 with the upgrading of the berth scheduled for completion by the end of 2008. The R10m oil and gas skills programme funded through the National Skills Development Fund is well under way, and more than one hundred learners will have been placed across the skills training and development structures.

The clothing and textile interventions have contributed towards a new sense of optimism within the industry. More than forty of the largest manufacturers have joined the Cape Clothing and Textile Cluster (CCTC), representing more than 50% of formal employment in the industry, with major breakthroughs in strengthening the value-chain particularly between manufacturers and retailers. Clotex has contributed towards formalising the Cut Make and Trim sector (CMT) with more than 150 SMEs actively supported. This has been underpinned by the Cape Town Fashion Council that is contributing towards building a design culture across industry. In addition the department partnered with the International Labour Organisation (ILO) and Sactwu in participating and funding a firm level upgrading programme to introduce world-class manufacturing methods into factories.

Within the metals and engineering sectors, the tooling industry has developed a range of interventions across skills development, transformation, recapitalization and marketing that have contributed to turning around the decline in

the sector. The auto sector benchmarking has however showed slow progress, with the fragmented nature of the local industry preventing significant take up by industry players. The department is building up its relationship with the furniture industry, which may lead to the formation of a new SPV by industry players in the new year.

- **Services**

The service industry sectors, which comprises the BPO (including call centres) and information and communication technology sectors, showed positive signs of ongoing employment led growth, particularly in the BPO industry and intensification in the business support and focused entrepreneurial training within the SME dominant ICT sector.

With regard to the BPO industry, investment promotion and recruitment activities have been maintained and in some cases consolidated, with more than ten official international delegations being hosted in the last year as well as the expansion of several existing BPO operations including those of Fusion, Carphone Warehouse and Exigent, signalling strong projections for industry growth. In terms of the current employment statistics, the annual industry survey (Deloitte's/CallingtheCape Key Indicator Report) shows that industry growth has continued to show consistent growth rates averaging 30% since 2003, with current total employment standing at more than 22 000 (from about 8 000 in 2003). Overall, the BPO industry continues to be a significant contributor to the provincial economy with an estimated total economic impact of between R2,5 billion and R3,3 billion per annum, or as much as 2,4% of the Gross Regional Product of the Western Cape.

Regarding the ICT sector, marketing, promotion and focused SME development support remain the cornerstones to ensuring a healthy and robust ICT sector in the province. In the last financial year, more than twenty industry networking and cluster enhancement events have been facilitated, more than forty one articles with a media reach in excess of 2 million has been reached. These activities, supplemented by the finalization of an IT Outsourcing/Export Promotion Strategy, based on the recently completed "ICT Census" spanning the industry's core niche sectors and competitive advantages, will navigate the implementation for the effective niche based promotion and positioning of the Western Cape's sector's service and products offerings to global buyers.

- **Creative Industries**

The department has built and strengthened its relationship with relevant stakeholders as advocated by the "open window" philosophy. High growth sub sectors have been analyzed with the objective of developing and implementing initiatives which will unblock growth potential within the sectors and realize synergies between the various sub sectors.

The department has continued to strengthen its interventions and programmes within its flagship sub sectors of film and craft where efforts have yielded significant economic growth for the province to date. The two sector bodies of film and craft have also completed a significant research project to deepen their understanding of their economic impact potential and opportunities for further growth.

Within the craft sector specifically the flagship projects effected during this financial year were the realization of the Gift Warehouse and the launch of the Rural mobile Outreach Vehicle for training and skills development. The Film Commission presented and organised a Skills Indaba, a conference that reflected on the skills gaps within the industry, how to develop pro-active projects to eliminate the mismatch between supply and demand of skills and to accelerate transformation.

In addition, during the past financial year, the department has continued to build stronger links with stakeholder representatives in the following sub sectors of the creative industries; music, visual arts, fashion, performing arts and jewellery. Through its partnership with the performing arts network, significant projects have been implemented that address the need to develop local content within the creative industries cluster and improve live performance offerings especially for our tourism market. Projects of significance were the development of an annual event to showcase the performing arts entitled the "Month of Performing Arts". This event is then planned to take place annually in April. The department has also concentrated on improving its understanding of the cross-cutting issues such as design and innovation and the impact of technological advancement on this sector. These partnerships have yielded significant lessons, improved the theoretical base and provided guidelines as to the focus and prioritization of the department's future intervention and allocation of resources within this complex sector.

It has become clear that it is useful to conceptualize the creative industries cluster as an interactive system between distinct but interdependent knowledge-intensive and skill-intensive activities. We have come to understand the whole through exploration of the sub sector parts, and so are able to move forward with targeted and focussed programmes and projects that will create the environment for further economic growth and development.

- **Industry Development**

Workforce Development (WFD): Through the demand and supply led skills research for oil and gas, BPO, tourism, film, boat-building, ICT and tooling, together with learnings from skills interventions through the SPVs, WFD has developed and assisted projects that add value through interventions and support around the development of enabling environments and frameworks e.g. unit standard generation, alignment of training interventions for international accreditation, upskilling or training in scarce skills and top up funding to accelerate training targets. Thus the focus for this year, was more institutional or framework support as foundations for more vigorous training interventions for next year. The development of skills platforms in boat-building and oil and gas in partnership with SPVs and key industry players for particularly skills accreditation initiatives has been a key achievement for the sub directorate. Partnering with educational institutions such as CHEC and CEL on projects has been valuable in consolidating learning and preventing duplication to increase the impact of skills interventions by the sub directorate.

Innovation:

- DST has established a presidential programme called COFISA with the Finnish government to assist in the development of local innovation systems in South Africa. All projects undertaken by the department's innovation unit will be in partnership with the COFISA programme. The innovation unit is represented on the task team of COFISA, ensuring regional needs and interventions are met.
- The AMTL was engaged in an international aerospace project, three national projects in adaptronics, five provincial projects in material and surface modification technology, and four provincial projects in advanced manufacturing technology.
- The Institute for Advanced Tooling (IAT) has successfully completed twenty projects in the tooling sector over the past ten months. The projects ranged from computer aided design to computer aided engineering and high speed machining and prototyping of components. These interventions were at a low cost to SMEs and would not have been possible without the IAT's project to assist SMEs.
- The strengthening and participation of local stakeholders in the delivery of benchmarking, fore-sighting and technological gap analysis studies.

HIV/Aids

- Development and implementation of HIV and Aids workplace policies and training.
- Provision of training for twenty four managers/team leaders on basic counselling skills in three BPO companies: Flexi Cell, Direct Axis and Global Telesales.
- Thirty peer educators (ten in each BPO company) will have undergone training, with learnings being applied to refine the project. This will then be rolled out to the boat-building sector before the end of the year.
- Training of employees through peer education will be completed by March 2008, after which the number of employees trained and the impact thereof can be assessed.

The sub directorate continues shaping; strengthening existing and new skills interventions in the aim of adding value to achieve knowledge and innovation based global competitiveness

Analysis of constraints and measures planned to overcome them

With the completion of the MEDS reports and the prioritization process, the current challenge that faces Trade and Industry Development is ensuring that there is sufficient financial and human capacity to develop and affect the sector strategies and sector interventions.

In the selection of the flagship and prioritized sectors, cognizance has been taken of existing industry-government cooperation and organizational structures, as this means that the sector can possibly leverage funds from sources other than the provincial government. However, even with external funding, the nature of the interventions will require significant additional financial input from government, and the process of seeking financial partners for interventions requires management capacity. The implementation of the sector strategies requires programme 3 to develop a number of sector interventions, consult with industry, local and national government to ensure relevance and obtain buy-in, to initiate and leverage partnerships and financial resources for the interventions, and then to implement and manage the interventions primarily through the sector bodies. This requires significant management resources that are not reflected in the structure.

In short, the interventions require human resources to initiate, implement, and manage the programmes, and the current personnel gaps within the department present a constraint in the refinement of strategies and their rapid implementation. Certain sector initiatives also require specialist knowledge, which will have to be brought into the department on a short- or medium-term basis, particularly if the specific intervention for which the specialist knowledge is required is of a short- or medium-term nature.

Industry's expectations created by the MEDS and the imperatives of the department's objectives and targets have also meant that we have had to implement a number of initiatives as the sole funder. Emanating from the sector MEDS strategies, these projects have primarily revolved around transformation, skills development and innovation and technology. The shortage of budgets forces the units to form strategic relationships and leverage other stakeholder resources into the various projects which make up programme 3's various deliverables and sector strategies. This often requires departmental senior management intervention with counterparts who have the decision-making powers to allocate budgets towards the department's initiatives.

Description of planned quality improvement measures

As the department is embarking on a new set of strategies, the first years will be used to verify and develop interventions, consult with the various stakeholders in the private sector and public sector to ensure relevance, and where applicable, implement the programmes. Amongst other factors, the following issues will be addressed:

New human resource capacity:

Filling the current vacancies in the divisions and identifying additional staff requirements will be prioritized as a matter of urgency. The appointment of experienced, specialized staff to the proposed positions would be a very important determinant in the quality of the services rendered by the unit. Quick induction and training of new staff will ensure that we are able to implement the strategies as rapidly as possible. Interventions within each of the sectors are being implemented, and where relevant, are being refined. The challenge has been capacity, particularly with respect to managerial capacity and focus.

In order to accommodate the MEDS, the current human resources have been reorganized into sector groupings to allow for clearer definition and efficient delivery, improved synergies among sector groupings and across sector clusters, and streamlined, direct management capacity and focus.

The MEDS sectors and interventions have been grouped into the following broad sector cluster units: resource beneficiation industry cluster, manufacturing industry cluster, services industries cluster, and creative industries cluster.

The new focus enhances the focused approach of the MEDS insofar as each sector grouping is led by a "priority" sector and contains "significant" sectors. The reorganization allows for strategic management capability in each of the groupings and the structure allows for flexibility. If and should further sectors be identified by the MEDS process, the above structure allows for scalability and relatively easy absorption of additional workload. In addition, reporting is now streamlined and significantly easier to monitor and evaluate.

Interventions for each sector include growth enhancing initiatives, infrastructure development projects, transformation and SME programmes, competitiveness interventions and developing an enabling regulatory environment. As the directors will be specialists within the sector clusters, they will also enhance the department's

ability to develop partnerships and partnership resources for the realization of the interventions. A cabinet submission will be processed in this regard.

Communication with stakeholders within any particular industry:

An important thrust of the unit is to strengthen the open window approach where interventions are identified, verified, and prioritized. The process also ensures buy-in from stakeholders, contributing towards managing the expectations of stakeholders and will enable officials to execute their work commitments effectively.

Focus:

The bulk of available resources will be focused on the most important interventions and/or the sectors that offer the strongest growth and impact. Too many areas of involvement and too many objectives with too few resources significantly dilute influence and impact, leading to an inability to deliver in a scenario where external expectations have been heightened.

Training and developing existing staff:

Staff in the unit may require training within the context of the MEDS sector strategies for example, training in facilitation and project management.

Utilization of outsourced expertise and capacity:

Using outside expertise to fast-track critical initiatives and interventions that may be too time-consuming or expensive to develop in-house, or where the intervention requiring specialist expertise, will have a short life span.

Stakeholder relationships/partnerships:

Ongoing emphasis will be placed on aligning the work of different role-players, such as national, provincial and local government, institutions, parastatals, business organizations, organized labour, civil society and communities, toward a common vision and agreed plans for each sub sector. Coupled with this, efforts to harness resources from other stakeholders will be critical for the continuation and expansion of successful projects.

Developing and implementing a monitoring and evaluation system:

Significant M&E interventions are underway to ensure the performance and impact of the SPVs are accurately measured.

5.1 SUB-PROGRAMME 3.2: TRADE AND INVESTMENT PROMOTION

The functions of Trade and Investment Promotion have been fully devolved to the Western Cape Trade and Investment Promotion Agency, Wesgro. The mandate of Wesgro entails the following three broad functions:

- to attract and facilitate international and domestic direct investment into the Western Cape,
- to grow exports of products and services of the Western Cape through the development of exporter capability, demand and market access, and
- to market the Western Cape as a competitive business destination within national and international arenas.

In addition, an economic intelligence unit, now rebranded as Wesgro IQ is housed within the organization, and is utilized extensively by the department.

Specified policies, priorities and strategic objectives

Wesgro have evolved over the past five years into a more focused and capacitated organization that is equipped to deal with the full range of investment and trade promotion activities. A new CEO, Angelo Manzoni, took over midway through the year, and has encapsulated new policies and priorities in a three year strategic plan. The key departure from previous years is the focus on a more proactive **investment strategy**, focused around six priority sectors. These sectors are:

- agriprocessing,
- boat-building,
- creative industries,
- ICT,
- renewable energy, and
- tourism.

To ensure that provincial government resources are optimized, Wesgro have implemented this new strategy with the concept of a facilitation unit that will work closely with and through the SPV sector where relevant. This will avoid potential areas of duplication and conflict. The key strategic priorities will be to:

- develop Wesgro's investment pipeline to include a greater number of projects in priority sectors,
- undertake proactive investor targeting,
- promote a facilitation service that would include the establishment of a first level immigration consultancy, and
- build relations with state owned entities.

In terms of **trade promotion**, Wesgro will put more emphasis on supporting emerging exporters, through the export development programme and will provide more focused and customer centred support to existing exporters through export facilitation.

Wesgro IQ will deepen the agencies' understanding of priority markets through developing new intelligence, will examine the costs of doing business in the Western Cape and identify and profile internationally local business opportunities in association with the department.

SPECIFICATION OF MEASURABLE OBJECTIVES AND PERFORMANCE INDICATORS

Strategic objective		To make citizens and their enterprises effective players in the global economy							
Measurable objective	Performance measure or indicator	2007/2008 (estimate)	2008/2009 (target)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2009/2010 (target)	2010/2011 (target)
Investment promotion	Number of sectors actively targeted		6				6	6	6
	No of jobs created		3000				3000		
	Value of investment attracted		R600m				R600m	R800m	R900m
Exporter promotion and development	Number exporters trained		200				300	350	360
	Number of firms participating in outward missions		25				25	30	30
	Number of leads distributed		300				300	350	400
Trade and investment intelligence	Perform research on sectors and locations		3				3	6	6
	Run market and sector seminars		2				2	10	10
	Development of fact sheets		5				5	5	5

5.2 SUB-PROGRAMME 3.3: SECTOR DEVELOPMENT

Sector Development is structured in clusters, with each cluster consisting of various sectors that share strong synergies along points in the value-chain and/or crosscutting strategic input factors, or may share common constraints within their respective industries.

Resource-based industries consists of

- agriprocessing and foodprocessing, and
- aquatic industries

Specified policies, priorities and strategic objectives

The unit's programmatic work is informed by the MEDS, IKapa Elihlumayo, ASGISA, PDC, LED, PGDS, PAMTS and other relevant pieces of legislations impacting on resource-based sectors.

There has been a limited focus on the food sector (at the national level) to date, with the major emphasis being on agribusiness and agriprocessing. However, in addition to wider strategies that include prioritization of agriprocessing (e.g. ASGISA and draft industrial policy), there are some key strategies that touch more directly on the food sector, such as:

- the dti draft customised sector programme for agriprocessing,
- the strategic plan for SA agriculture – agribusiness elements include the desire to diversify production and add greater value to produce,
- Agri BEE framework, which includes the entire agribusiness value-chain in its scope for empowerment transformation and enterprise development, and
- the Provincial Advanced Manufacturing Technology Strategy (PAMTS) food sector recommendations.

The resource-based industries have taken various approaches and used different selection criteria to identify sectors for potential engagement. The selection criteria have ranged from assisting those with high growth potential and perceived competitive advantage (honeybush and rooibos, essential oils, olives, ostrich, etc.), through to those that are undergoing structural changes, such as fishing and canning.

Engaging in higher value added activities, the resource-based industries will, over time, engage with more agriprocessing sectors, which do, or could potentially, make a substantial contribution to sustainable economic growth.

The establishment and growth of the biofuels industry is one possible solution to addressing both the economic and social challenges of climate change and is an important contributor to ASGISA, although there are significant concerns regarding the environmental and food security externalities.

To give effect to the above, the unit has developed the following priorities:

To promote fishing and aquaculture through:

- supporting the growth and development of the aquaculture sector, through the development of a credible aquaculture policy and a strategic plan,
- supporting the development of an alternative fishing strategy (CREAD-TURF) to the existing quota system, and
- supporting the economic development of traditional fishing communities through investigating broader economic opportunities in these communities.

Developing and supporting interventions in the food processing sector through:

- food safety certification support,
- export development, and
- development of niche product categories within agriprocessing, e.g. rooibos and honeybush.

Implementing strategies that will facilitate the growth and development of agriprocessing industries, viz:

- rooibos, and
- honeybush.

Aquaculture strategy and interventions

Aquaculture is currently the fastest growing primary industry in the world, and Africa, while well placed to be major player, has yet to capture its potential share of this booming industry. The department, working through the Provincial Development Council and the Aquaculture and Fishing Task Team, and together with the relevant national stakeholders, will be finalizing a Provincial Aquaculture Strategy and develop structures to implement interventions emanating from the strategy.

Fishing

MCM has agreed to investigate the feasibility of piloting the CREAD-TURF system, which essentially allocates the rights of inshore resources to the relevant communities' resident along the coastline. The department, along with its PDC partners, will continue to support this initiative through advocacy programmes and engagements.

Economic development of fishing communities

Fishing stocks are in serious decline along the coastline of the Western Cape, and the livelihoods of the fishing communities are therefore in serious jeopardy. Using Doringbaai as a pilot initiative, the department will be developing holistic initiatives to broaden the economic activities within these affected communities.

Food safety certification support

This will promote food certification processes, including adaptation of international certification standards by the food processing SMEs. The food safety certification support programme for SMEs has been identified as a priority in terms of the food MEDS study and the PAMTS food study.

The programme aims to provide SMEs in the food processing industry with access to professional information as assistance in developing and introducing the food safety system in the production process.

Export development


The unit will play a developmental role in terms of capacitating the aspiring and potential exporting SMEs to produce technological, innovative products and participate in the export sector. This is due to the fact that food SMEs are limited in their ability to develop, access and service export markets, primarily due to lack of experience, financing opportunities, market knowledge, business management and other expertise, small volume production and external vulnerabilities (e.g. currency fluctuation, regulatory issues).

The resource-based unit has taken numerous opportunities into account, and has identified a customized food export development programme as a cost effective solution that will build the capacity of food SMEs, and ultimately get them export ready.

Niche product categories

Rooibos

The rooibos industry is of major importance to the Western Cape economy. However, the key challenge is that relatively little value is added by the producers and processors, where the majority of stock is exported from the Western Cape prior to value-added processing. More positively, the industry has many unique features related to



the extensive nature of Western Cape production in a hill and upland environment and the base of owner-managed farms. The major opportunities for rooibos will stem from value-added processing, quality, geographic indicators, clinical trials, differentiation, and a more efficient supply chain.

Honeybush

The honeybush industry is small in comparison to rooibos, but growing fast with over four commercial producers and forty small-scale producers. It is an increasingly dynamic industry with the potential to grow capacity and market share. Within the Western Cape there is a wide range of companies adding value to honeybush or acting as distributors to wider markets.

Strategic objective		To grow the economy in a sustainable manner, for the benefit of all who make the Western Cape their home To make citizens and their enterprises effective players in the global economy								
Measurable objective	Performance measure or indicator	2007/2008 (estimate)	2008/2009 (target)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2009/2010 (target)	2010/2011 (target)	
Facilitate and support the growth and development of the aquaculture sector	Number of aquaculture initiatives supported	Consultation process regarding aquaculture completed	Establishment of representative industry initiative				1	1 initiative supported, and additional initiative initiated.	3	
	Finalization of aquaculture policy	as well as the strategy and draft policy	Finalization of the policy				Policy finalized and green paper prepared	White paper process approved		
Support the economic development of communities within fishing villages and towns	Number of fishing villages supported	Doringbaai project initiated	(Doringbaai and new)							
		1 additional fishing village scoped	2				2	3	4	
Develop and support the growth and development of the food processing sector	Number of workshops held with communities		2		1			4	5	
	Number of forums established		1				1	4	5	
	Number of SMEs supported via food certification programme	Food safety certification programme developed and finalized.	10				10	20	30	

Strategic objective		To grow the economy in a sustainable manner, for the benefit of all who make the Western Cape their home To make citizens and their enterprises effective players in the global economy								
Measurable objective	Performance measure or indicator	2007/2008 (estimate)	2008/2009 (target)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2009/2010 (target)	2010/2011 (target)	
	Number of companies supported through the export development programme	Food export development programme developed	15			15		20	20	
Establishing new sector focused initiatives within agriprocessing sectors	Number of sub sector initiatives supported	Research studies & strategies completed on rooibos, honeybush and wine benchmarking study	2 initiatives developed emerging from strategy processes (honeybush, rooibos)				Development of 2 sector initiatives re best practice	1 Additional sector researched and operationalized in addition to existing 2.	3	

Manufacturing industry consists of

- marine cluster, including oil and gas services, ship repair and boat-building,
- metals and engineering, including tooling and autos,
- clothing, textiles and fashion, and
- furniture.

Specified policies, priorities and strategic objectives

The department's involvement in a broad range of manufacturing sectors has been thoroughly researched through the MEDS. The reports indicate which industry segments should be supported in order to affect gains in the areas of growth, employment, broadening of ownership, export competitiveness and in identifying strategies and interventions to best affect change.

The following manufacturing sectors were researched by the MEDS:

- oil and gas supply industry,
- metals and engineering sectors (including boat-building, ship repair and tooling),
- clothing and textiles sectors, and
- electronics.

Additional considerations regarding the manufacturing sectors, and impacting on the policies of the department, include the Provincial Development Council process that has highlighted twelve sectors for intervention, the dti's Customised Sector Programmes (CSPs) that are currently in process, as well as the National Industrial Strategy, PAMTS that was completed in September 2005, and research that is being undertaken by the provincial treasury. The MEDS however provides the primary guidance to the department's sectoral strategies.

To give effect to the above, the unit has developed the following priorities:

Supporting the oil and gas supply industry:

- A significant construction and servicing hub providing West Africa with specialized fabrication and repair facilities with related backward linkages through Saldanha Bay and Cape Town was developed. The interventions include funding and directing the South African Oil and Gas Alliance that was established by the department in 2004, carrying out detailed feasibility studies into key facilities, firm level interventions aimed at improving the capacity of Western Cape with an emphasis on particularly BEE firms, and using the NSF skills programme as a base, developing a skills strategy for the industry and a focused marketing effort to attract business to the province.

Within the metals and engineering sector, the MEDS focuses on a number of distinct sub sectors and strategies, such as:

- Saldanha Steel beneficiation cluster: The development of a major beneficiation hub at Saldanha was facilitated. The first step towards this has already been made with the completion of the Saldanha offshore fabrication yard.
- Ship repair: The ship repair industry was supported and funded through the recently formed Cape ship repair initiative cluster, keeping in mind linkages with the oil and gas alliance, and embarking on a project to expand the ship repair infrastructure. There is a possibility that this may be incorporated back into SAOGA to ensure that duplication does not occur.

- Tooling industry: The Western Cape tooling initiative that was launched in 2006 to take forward the interests of the sector was funded and developed. Key programmes focusing on skills and transformation has already been launched and will be deepened through the year.
- Yacht building: Continuing funding and support are given to the sector through the Cape Town boat-building and technology initiative established by the department in 2004.

Supporting the clothing and textile industry:

- A three-pronged strategy has been put into place and has already appeared to contribute to the stabilization of the industry, around a focus on high quality and high value locally designed exports.
- A key intervention is the facilitation and funding of the CCTC that will enhance the inter- and intra-firm efficiencies and the competitiveness of the major clothing firms. This will include a range of sub interventions including skills programmes, lobbying national government for incentives, encouraging capital upgrading and eliminating infrastructural blockages.
- Secondly, initiatives need to be put in place to develop the fashion component of the industry, and to draw the fashion and manufacturing sectors together.
- The third leg of the strategy will be the reformation of the sector with the emphasis being on increasing the skills and capacity of the CMT sector. Clotex, as the skills and support body for CMTs will continue to be supported, as will specific programmes such as the mentorship programme and the competitiveness clubs.
- The formation of a design and manufacturing precinct is vital in affording the budding design and manufacturing industry a central location and identity which would further facilitate the rate of growth and competitiveness. Phase 1 comprises of the formation of a manufacturing hub with design and manufacturing key stakeholders. The broader design element will be incorporated in phases two and three, which will be rolled out at a later stage. The initial scoping would be completed by 31 May 2008, with the implementation phase commencing in August 2008.

Investigating potential within the furniture industry:

- The furniture industry is viewed as a relatively low-growth sector, but as a labour-intensive sector with export potential, and opportunities for developing new design capabilities have been earmarked for potential support. A project manager was appointed during 2007 to lead the industry forward, to develop projects to meet the blockages on growth, and to test the potential for a new furniture SPV.

SPECIFICATION OF MEASURABLE OBJECTIVES AND PERFORMANCE INDICATORS

Strategic objective		To grow the economy in a sustainable manner, for the benefit of all who make the Western Cape their home To make citizens and their enterprises effective players in the global economy								
Measurable objective	Performance measure or indicator	2007/2008 (estimate)	2008/2009 (target)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2009/2010 (target)	2010/2011 (target)	
Develop and grow the oil and gas sector through marketing, promotion and facilitating investment recruitment and strengthening of clusters.	Number of members (SAOGA)	180	200				200	220	240	
	Number of local companies participating in OTC	10	10	10				12	12	
	Number of local exhibitors at Oil Africa	60	70		70			80	100	
	Rand value of repair orders attracted into Cape Town		R1billion				R1billion	R1,2billion	R1,5billion	
	Number of firms receiving ISO certification (accreditation)	Accredited database of 300 firms developed. ISO Programme launched to accredit 30 firms	20					20	25	25
Number of feasibility studies completed	Initiating full feasibility study for the dry dock		(dry dock) 1				1	Initiate the bid process for construction of the oil and gas dry dock	Initiation of construction of oil and gas dry dock	

Strategic objective		To grow the economy in a sustainable manner, for the benefit of all who make the Western Cape their home To make citizens and their enterprises effective players in the global economy								
		Performance measure or indicator	2007/2008 (estimate)	2008/2009 (target)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2009/2010 (target)	2010/2011 (target)
Develop and grow the oil and gas sector through SME and transformation enhancement	Number of pre-feasibility studies completed	Initiating pre-feasibility into oil and gas supply hub	1		1				Finalize full feasibility study into oil and gas supply hub	Initiation of construction of supply hub
	Number of member companies BBBEE verified	Launch programme for intensive support to 20 BEE companies	20				20		Management of the initiatives and interventions	Deepening of initiatives and interventions to transform the industry
	BBBEE Profiling of members on database								Evaluation of interventions' effectiveness to improve, roll out or modify if relevant	
Develop and grow the boat-building industry through marketing, promotion and facilitating investment recruitment and strengthening of clusters	Number of members (CTBi)		60				60			70
	Number of companies participating in international boat shows		15			2	8	5	18	20
	Number of exhibitors at local boat show		110				110			120

Strategic objective		To grow the economy in a sustainable manner, for the benefit of all who make the Western Cape their home To make citizens and their enterprises effective players in the global economy									
Measurable objective	Performance measure or indicator	2007/2008 (estimate)	2008/2009 (target)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2009/2010 (target)	2010/2011 (target)		
Develop and grow the boat-building industry through enhancing competitiveness initiatives	Number of feasibility studies completed	0	1		1			N/a	N/a		
	Number of companies supported by competitiveness initiatives	6	10				10	10	10		
Develop and grow the boat-building industry through SME and transformation enhancement	Number of companies supported through SME programmes	8	10				10	10	10		
	Number of members (CCTC)	43	50				50	55	60		
Develop and grow the clothing sector through marketing, promotion and building local networking, and the support for the CCTC, Clotex and the Cape Town Fashion Council	Number of members Clotex	130	150				150	175	200		
	Number of members CTFC	80	90				90	100	110		
	Number of firms assisted with export support through Clotex	20	25				25	30	35		
	Number of firms assisted with export support through CTFC	10	15				15	20	25		

Strategic objective		To grow the economy in a sustainable manner, for the benefit of all who make the Western Cape their home To make citizens and their enterprises effective players in the global economy							
Measurable objective	Performance measure or indicator	2007/2008 (estimate)	2008/2009 (target)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2009/2010 (target)	2010/2011 (target)
	Number of local designers showcased through Cape Town Fashion Festival	22	25				25	30	35
	Number of designers showcased through Cape Town Fashion Week	16	20				20	25	30
	Number of firms in benchmarking programme through CCTC	25	30				30	35	40
Develop and grow the clothing sector through enhancing competitiveness initiatives	Number of firms in benchmarking programme through Clotex	50	60				60	60	60
	Number of firms participating in ILO project	8	20				20	25	30
Develop and grow the clothing and textile sector through SME and transformation enhancement	Number of SMEs supported through Clotex	300	325				325	350	375
	Number of SMEs supported through CTFC	70	75				75	80	85

Strategic objective		To grow the economy in a sustainable manner, for the benefit of all who make the Western Cape their home To make citizens and their enterprises effective players in the global economy								
Measurable objective	Performance measure or indicator	2007/2008 (estimate)	2008/2009 (target)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2009/2010 (target)	2010/2011 (target)	
	Number of BEE companies supported through CCTC	10	15				15	20	26	
	Number of BEE companies mentored through Clotex	200	200				200	200	200	
	Number of BEE companies mentored through CTFC	40	40				40	40	40	
Establishment of a design and manufacturing precinct to be rolled out over three phases incorporating all facets of the design industry. The 1st phase relates to the setup of a manufacturing hub.	Number of BEE companies mentored through CTFC	10	20				20			

To grow the economy in a sustainable manner, for the benefit of all who make the Western Cape their home To make citizens and their enterprises effective players in the global economy										
Strategic objective	Measurable objective	Performance measure or indicator	2007/2008 (estimate)	2008/2009 (target)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2009/2010 (target)	2010/2011 (target)
Develop and grow the metals and engineering industry through marketing, promotion and building local networking, with a focus on tooling and auto-components	Number of members of WCTI	20	40					40	50	50
	Number of members of auto-benchmarking club	5	8					8	10	12
Develop and grow the metals and engineering sector through enhancing competitiveness initiatives	Number of firms actively assisted through competitiveness programmes through WCTI	15	20					20	25	30
	Number of SMEs assisted as part of transformation programme	2	3					3	5	5
Facilitate the development and growth of the furniture industry	Number of Industry workshops held	Establishment of furniture initiative	6		1	2	2	1	8	8
	Number of firms assisted through competitiveness programmes		40					40	50	50

Services industries cluster consists of

- information technology and communications, and
- BPO.

Specified policies, priorities and strategic objectives

The services industry in South Africa is as diverse as the manufacturing industry, contributing more than 65% to the South African GDP. Despite this, data on the sector, its components and its contribution to employment, is scarce. This is not surprising as South Africans have tended to view services as a function of manufacturing. However, with the recent prioritization by government and ASGISA and the international trend of outsourcing services to offshore destinations, the sector has been recognized for its job creation and growth potential.

The goal of the **services industry cluster** is to develop, stimulate and promote key industries within the services sectors which have been identified by the MEDS and explore additional opportunities within the services industries.

The MEDS research and process of prioritization has placed ICT and BPO as priority sectors, and its emphasis within the department is reaffirmed by its high ranking within ASGISA and PDGS given its high impact in terms of growth and employment potential. Consequently, the interventions for these two sectors will receive additional focus within the overall economic sector development.

Both priority sectors have SPVs which are section 21 companies comprising partnerships between private and public sector. Interventions identified by the MEDS may be outsourced to these entities or other relevant organizations or experts.

To give effect to the above, the unit has developed the following priorities:

To promote growth and development in the BPO sectors:

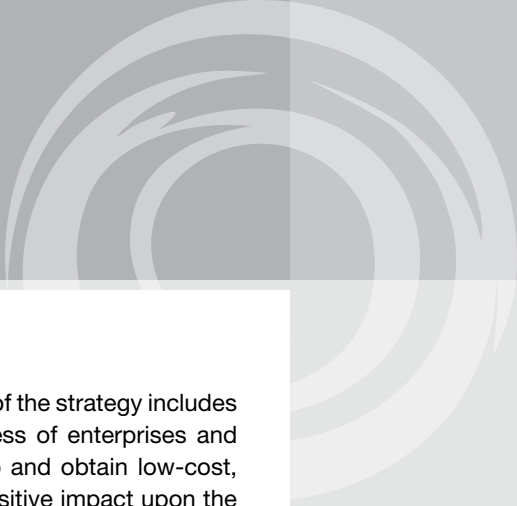
BPO is the transfer to a third party of responsibility for tasks and processes that primarily involve the handling and manipulation of data (taken in its broadest sense to include voice data). The department is currently focused on call centres as a component of BPO, but as resources become available, will be exploring other "vertical" and back-office opportunities.

The MEDS strategy of BPO is focused on growth, both within the international arena as well as within the domestic market. In the promotion and marketing of BPO, in order to ensure growth, the department will continue to support CallingtheCape (CtC) as the primary investment recruitment agent and the relocation facilitation agency. In addition to this, the unit has placed emphasis on developing an initiative which capitalizes upon government procurement to support our emerging BEE BPO operators.

Labour comprises the bulk of costs within a call centre operation (up to 60%). As the industry grows, the department will need to complement the industry growth focus with a strong focus on skills development to keep the BPO attrition rates low and maximize job creation opportunities. The Unit therefore, with the assistance of the Workforce Development Unit and in conjunction with CtC, will continue to support the training of matriculants into the sector and also concentrate efforts upon the graduation of these matriculants into middle management positions within the industry.

To promote growth and development in the ICT sectors:

The ICT industry has been recognized by the MEDS as not only a pivotal sector in terms of its job creation potential, but also because it is a key competitive input factor to other sectors. As such, the focus of the department will be on the growth of the industry through investment promotion, support for SME and transformation, as well as competitiveness improvements of other sectors through IT technology and IT skills enhancements.



To improve the overall competitiveness of the regional economy, a fundamental component of the strategy includes facilitating the establishment of enabling ICT infrastructure to improve the competitiveness of enterprises and the industry in the province. This will be achieved by an advocacy campaign to develop and obtain low-cost, high quality telecommunications infrastructure in the province. This will have a massive positive impact upon the economy of the Western Cape, not only substantially reducing business costs, but also allowing our companies to take advantage of the technological advances which is revolutionizing the international business world. This initiative will be supported by the development of high quality and innovative products that are design-led, and as a result, the unit will support R&D projects within the sphere of IT.

SPECIFICATION OF MEASURABLE OBJECTIVES AND PERFORMANCE INDICATORS.

Strategic objective		To grow the economy in a sustainable manner, for the benefit of all who make the Western Cape their home To make citizens and their enterprises effective players in the global economy							
Measurable objective	Performance measure or indicator	Base Year 2007/2008	Year 1 2008/2009	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year 2 2009/2010	Year 3 2010/2011
Develop and grow the ICT sector through marketing, promotion and facilitating investment recruitment and strengthening of clusters	Number of local initiatives conducted to position and promote WC ICT	10 local and international initiatives conducted							
		Investment and outsourcing strategy developed							
		Support expanded for CITI	10	2	3	3	2	12	12
	Number of international initiatives conducted to position and promote WC ICT		2			1	1	3	3
	Number of members	30	40				40	50	60
Develop and grow the ICT sector through enhancing competitiveness initiatives	Number of competitiveness interventions developed or supported	Telecommunications Infrastructure Road map report finalized	1 initiative supported, in tandem with industry and provincial government support and collaboration				1	1	1
Develop and grow the ICT sector through SME and transformation initiatives	Number of SMEs supported via a programme	20	20				20	30	40

Strategic objective		To grow the economy in a sustainable manner, for the benefit of all who make the Western Cape their home To make citizens and their enterprises effective players in the global economy								
Measurable objective	Performance measure or indicator	Base Year 2007/2008	Year 1 2008/2009	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year 2 2009/2010	Year 3 2010/2011	
	Number of BBBEE SMIEs supported.		10				10	15	20	
	Number of enquiries handled	300.	350	100	75	75	100	400	500	
Develop and grow the BPO sector through marketing, promotion and facilitating investment recruitment and strengthening of clusters	Number of local initiatives conducted or hosted to position and promote the WC as a BPO destination of choice	Support for CallingtheCape expanded								
		Three investment projects hosted and facilitated	8	2	2	2	2			
	Number of international initiatives conducted or hosted to position and promote the WC as a BPO destination of choice	Membership growth maintained								
			4	1	1	1	1			
	Value of investment recruited or facilitated		R100,000,000				R100,000,000	R100,000,000	R100,000,000	
	Number of jobs facilitated		2000				2000	2000	2000	

Strategic objective		To grow the economy in a sustainable manner, for the benefit of all who make the Western Cape their home To make citizens and their enterprises effective players in the global economy							
Measurable objective	Performance measure or indicator	Base Year 2007/2008	Year 1 2008/2009	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year 2 2009/2010	Year 3 2010/2011
Develop and grow the BPO sector through enhancing competitiveness initiatives	Number of competitiveness interventions developed or supported	Training requirements within BPO industry identified	1				1	1	1
	Number of training opportunities facilitated	CADET Training programme launched and implemented	100				100	150	200
	Number of SMEs supported via a programme	Pilot implemented with 5 SMEs via the capacity building programme	10				10	15	20
Develop and grow the BPO sector through SME and transformation enhancement	Number of BBBEE SMEs supported		5				5	10	15
	Number of enquiries handled		200	50	50	50	50	300	400

Creative industries cluster consists of

- film,
- craft,
- music,
- jewellery,
- visual arts, and
- performing arts.

Specified policies, priorities and strategic objectives

The MEDS reports on culture, film and crafts have been completed, and in the fourth round of MEDS, further studies have been conducted into music.

The overall strategic aspirations of the department for the creative industries is to holistically develop and grow creative industries and its complex interconnected and interrelated sub sectors, impacting positively and meaningfully on the Western Cape's economy and peoples, and for the sector to become one of the key guiding drivers of the provincial economy by developing and strengthening the creative industries' resources, skills and markets, and linkages with other sectors.

In the province, MEDS research revealed the sector has the potential to be one of the primary drivers of the region. The powerful impact of the creative industries is embedded in its intrinsic characteristics and its synergistic sphere of influence, namely:

- it is pro-poor,
- it has strong linkages with the informal sector; proactive initiatives within the creative industries will provide strong outreach to the informal component in the industry,
- the creative industries have demonstrated a significantly higher-than-GDP growth rate internationally and have become the focus for growth in countries such as the UK, New Zealand and Singapore,
- while quite diverse in nature, the large proportion of the industry is labour-intensive and moreover, requires a low-skilled and semi-skilled workforce,
- the barriers to entry for SME and BEE companies are relatively low,
- by its nature, our cultural heritage and natural creative flair is the industry's differentiating competitive edge within a global market environment,
- in developing and harnessing local markets, particularly for the entertainment industries, it builds social capital,
- the creative industry provides a compelling solution to seasonal challenges in tourism and agriculture, and
- as it is embedded within the wide diversity of the peoples of the region, creative industries are less spatially sensitive than other manufacturing and service industries.

Current global trends in the economic growth patterns of the creative industries reveal that those sub sectors which are technologically based or which rely on new technology for its distribution, dissemination and access to new markets, are the sub sectors which have the most potential for economic growth. Moreover, it has also been determined that

developing countries like Singapore, Taiwan, Brazil and India have begun to explore new ways to reap economic rewards from their own unique blend of cultural assets that are knowledge-intensive and skills-intensive, are slowly beginning to erode the hegemonic control of countries such as the United Kingdom and the United States of America and are laying claim to a stake of the global market share previously enjoyed by these sector giants.

To give effect to the above, the unit has developed the following priorities:

To promote and ensure effective implementation of the creative business precinct programme:

- Implement the infrastructural development plan for the Western Cape through its creative business precinct programme. Each precinct will:
 - facilitate a joint future vision and economic regeneration plan for each community.
 - develop a skills plan to create employment and create new jobs,
 - develop small and medium size enterprises which will find fresh traction when linked to the impetus which the precinct creates,
 - provide strategic interventions for players presently working within the second economy to provide a ladder of opportunity for entering the first,
 - provide the opportunity to grow new markets and attract investment both locally and internationally, and
 - develop showcase sites for local design and innovation and economic best practice.
- Government departments at local, provincial and national level are owners of valuable infrastructure such as community halls, civic centers, museums, public open space, park and recreational facilities which can be utilized by an economically active and organized community. Interventions will be embarked upon to identify where this infrastructure is located, to unlock the potential of these existing infrastructural resources and develop private/public sector partnerships to improve the management and usage thereof and access thereto.
- The creative precinct programme will also assist in improving the regulatory environment in which economic activity takes place within communities, and assist with providing a regulatory framework which is an enabler of economic activity.
- The creative precinct programme, while utilizing the creative industry as the catalyst, will also concentrate on finding synergy with other sectors as well as with other provincial and local government department efforts. It is envisaged that such a coordinated approach within a tangible precinct space should yield significant results with impact being achieved within a focused time frame.
- Initiatives will be designed to develop resources of an itinerant and mobile nature to complement fixed infrastructure or geographically fixed nodes and clusters to maximize impact at low cost. As far as possible, creative industry projects undertaken by the creative industries unit will also be planned so as to find expression and concentrate effort and resources within these precincts.
- Linkages are to be established between creative precincts and the existing tourism routes and hubs. The creative industries will become a powerful driver of tourism initiatives in the province.

To develop and support the film and music sub sectors:

- The department will prioritise its efforts in the film and music sub-sectors, assist with securing improved access to technological infrastructure, support technological innovation programmes within these two sub sectors, and assist with improving IT literacy and support programmes which safeguard local artists in respect of copyright and intellectual property within this rapidly changing milieu, taking advantage of technological advances.


- The department will place strategic emphasis on developing additional aspects of our film industry. We will continue to promote the development of indigenous film production and the growth of a domestic film market. Within the film industry we will also support programmes that promote local technological innovation systems, products or processes to improve competitiveness within the arena of new products to serve new technological platforms. This will be achieved through supporting the Cape Film Commission.
- In the **music industry**, the department will continue to support the Western Cape Musicians Association, an initiative which promotes the improvement of access to economic opportunities and a fair business environment for musicians in the province. In addition, the department will continue to support the formation of a sector body for the music industry. The thrust of our intervention will be to secure the improvement of access to required infrastructure to produce, develop, promote and market indigenous music both locally and internationally. Bearing in mind our emphasis on technological improvement and innovation, the aspect of improving our capabilities and competitiveness in respect of infrastructure for **recorded** music will be our focus. Our approach to live music events, performances and festivals will be dealt with under our concomitant strategy of support for the development of new audiences and markets and tourism products and offerings.

To develop and support the craft and jewellery sub sectors:

- Provide increasing financial support to CCDI.
- Set up an inter-governmental task team which allows for a common perspective of strategies, roles and responsibilities in the industry.
- Deepen design integration to ensure that the Western Cape produces innovative, design led products and harnesses synergies of related industries especially through the newly established Fab Lab.
- Develop and implement an integrated support programme from market access to order fulfilment with the initial emphasis on accessing retail outlets.
- In addition, in the coming period we will emphasize our support to two further programmatic interventions within the craft industry. The first is the connection between our sectoral work in the craft industry and our relationship to tourism. Two initiatives will solidify this partnership. The craft routes which will complement and support the existing tourism routes and nodes, and product development specifically linked to retail tourist opportunities at provincial tourism sites of significance. The second emphasis will be on harnessing the significant contribution the CCDI has made to our understanding of developing a diagnostic tool to accurately assess SMEs in respect of their creative skills and enterprise skills base, and thereafter to accurately recommend a learning path of skills development and acquisition to ensure economic success.
- The creative industries unit will partner with the WFDI team to develop an incubator for the creative industries cluster which will develop a program of shared services to support SME development linked to sector specific economic development issues.
- A further important focus of the CCDI in developing the craft sector, would be in respect of the Fab Lab and the Centre for Innovation and Design that will continue its efforts to deepen its involvement in programs linked to design and innovation for visual arts linked products.
- With regard to the **jewellery industry**, the department commits itself to participating in the national processes which are attempting to coordinate the development and growth of this sector. During this planning stage, the provincial department will limit our involvement to issues of design, and connect stakeholders in this industry to the initiatives being undertaken in the Fab Lab and at the Centre for Innovation and Design managed by the Cape Craft and Design Institute.

To develop and support the visual and performing arts sub sectors:

- The **visual arts sector** possesses the raw base skills of visual literacy, form, content and design which



feed into the other visual art skill-based sub sectors such as aspects of film production, animation, graphic design and audiovisual products within new media. The intention of the department is to develop programmes which support the acquisition of skills of visual art, visual literacy and design. It will also support programmes which promote understanding and innovation with respect to IT platforms for dissemination and marketing of visual imagery. The smaller niche market of fine art will be supported insofar as it contributes positively to the province's overall creative and cultural identity, insofar as appreciation of fine art is also linked to growing local appreciative audiences and developing future local markets for visual art products, and insofar as it also provides tourist product offerings.

- The **performing arts sector** which encompasses theatre, dance, and live or performed music possesses the raw, base, building block skills of live performance, such as acting skills, choreography, (which is the movement of live bodies in a predetermined space) production of text or script. These basic skills underpin the skills demand for film, music video production, script writing for film, broadcasting, television and radio. The performing arts sector will be supported insofar as it supports our priority sub sectors of film and music, and insofar as it builds local audience appreciation of cultural and arts-based products and local markets for these products. It will also be supported, as in the case of the visual arts sub sector, insofar as it provides tourist product offerings of live performance.

Finally, the department will establish partnerships with international agencies with experience in the sector. As the relationships solidify within the above listed sub sectors, the department will begin to explore other sub sectors which fall within the design and design services cluster.

The department will focus on the development of a creative industries cluster forum which will assist with developing programs and interventions which target point of convergent development for all sub sectors of the creative industries.

In this forthcoming period, drawing on lessons gleaned about the interconnectivity and nature of the interrelatedness of different sub sectors, the department will begin to prioritize and rank its interventions and allocation of resources to different sub sectors and be strategic in its choice of emphasis of support according to a set of principles and criteria.

SPECIFICATION OF MEASURABLE OBJECTIVES AND PERFORMANCE INDICATORS

Strategic objective		To grow the economy in a sustainable manner, for the benefit of all who make the Western Cape their home To make citizens and their enterprises effective players in the global economy							
Measurable objective	Performance measure or indicator	Base Year 2007/2008	Year 1 2008/2009	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year 2 2009/2010	Year 3 2010/2011
Facilitate the development of the craft industry through marketing, promotion and facilitating investment recruitment	Number of members	940	987				987	1036	1087
	Total attendance at industry events	2000	2023	538	806	806	538	141	148
	Number of companies assisted with exports	50	50	10	15	15	10	56	59
Facilitate the development and growth of the craft industry through enhancement of competitiveness	Number of companies supported through innovation programs	215	225				225	238	250
	Number of companies involved in productivity programs	10	10				10	12	13
	Number of persons assisted	500	540				540	600	750

Strategic objective		To grow the economy in a sustainable manner, for the benefit of all who make the Western Cape their home To make citizens and their enterprises effective players in the global economy							
		Base Year 2007/2008	Year 1 2008/2009	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year 2 2009/2010	Year 3 2010/2011
Facilitate the development of the craft industry through enterprise development and transformation	Number of SMEs assisted	800	840	168	252	252	168	882	926
	Number of BEE companies assisted	640	672	134	203	201	134	705	740
	Number of PDI persons assisted	490	515	103	155	155	102	541	568
Facilitate the development and growth of the film industry through marketing, promotion and facilitating investment recruitment	Number of members	678	2685		1 340		1 345	2819	2819
	Total attendance at industry events	31 000	32 550	7010	16 568	4 900	4 072	32 550	32 550
	Value of investment facilitated	R1billion	R1,050 billion				R1,050billion	R1,050billion	R1,050billion
Facilitate the development of the film industry through enterprise development, transformation and empowerment	Number of companies assisted with exports	90	95				95	100	100
	Number of SMEs assisted	1200	1260	247	211	400	402	1260	1260
	Number of BEE companies assisted	750	788	77	115	300	296	788	788

Strategic objective		To grow the economy in a sustainable manner, for the benefit of all who make the Western Cape their home To make citizens and their enterprises effective players in the global economy							
Measurable objective	Performance measure or indicator	Base Year 2007/2008	Year 1 2008/2009	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year 2 2009/2010	Year 3 2010/2011
	Number of PDI persons assisted	2 400	2 520	600	680	540	700	2 520	2 520
Facilitate the development of the creative industry cluster through marketing, promotion and investment recruitment	Number of new members/visitors	3 959	4 150				4 150	4 500	4 500
	Number of industry events hosted	235	240				240		250
	Total attendance at industry events	6 995	7 315				7 315	7 315	7 315
	Number of companies assisted with exports	30	35				35	R3 500 000 35	R3 500 000 35
Facilitate the development and growth of the creative industry cluster through enhancement of competitiveness	Number of persons trained in skills development	200	300				300	400	400
Facilitate the development of the creative industry cluster through enterprise development and transformation	Number of SMEs assisted	200	250				250	500	

Strategic objective		To grow the economy in a sustainable manner, for the benefit of all who make the Western Cape their home To make citizens and their enterprises effective players in the global economy							
Measurable objective	Performance measure or indicator	Base Year 2007/2008	Year 1 2008/2009	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year 2 2009/2010	Year 3 2010/2011
Transformation									
Facilitate the development and growth of creative business precincts	Number of local precincts facilitated	2	2				2		4
	Number of events hosted	18	18	2	4	6	6	18	18
	Total attendance at events	5400	5400				5400	5400	5400
	Number of PDI persons trained	20	25				25	30	30

5.3 SUB-PROGRAMME 3.4: INDUSTRY DEVELOPMENT

Specified policies, priorities and strategic objectives

The primary focus of the unit is to enhance and support skills and innovation within each of the priority sectors, as well as facilitate an optimally conducive economic environment for the development and growth of sectors and businesses. This includes a program focusing on HIV/Aids in the workplace program.

Growth theory identifies innovation as the key long-term driver of growth with human resource development, notably high level order skills, as a key underlying factor in innovation. Parallel to this is the fact that, across the various sectors, employment is increasingly skills intensive.

Human resource development and innovation is relevant to all spheres of economic activity and its complexity resides in the fact that the field cuts across all sectors, various government departments (national and regional), engages with and involves various stakeholders and institutions as well as is influenced by them, and shapes economic and growth policies and strategies. Studies at regional and firm level (supported by the recent demand and supply skills research initiated by WFD locate the existence of a competitive position in the skills and aptitudes of the workforce. However, the MEDS research reported the lack of required skills as the most crucial inhibitor to growth of the private sector and the Western Cape.

Thus, coordinated and framed within JIPSA, the iKapa Human Capital Development Strategy and the Scarce Skills Development Strategy, the priorities of the Workforce Development Unit will be to develop and implement WFD strategies for prioritized, “watchlist”, and significant sectors. Through continuous research, implementing interventions based on current research findings and strengthening industry based skills programs, WFDI intends overcoming the fragmentation of service providers, developing mechanisms that will ensure a more responsive approach by the education and training sector and a more collaborative approach with industry.

Knowledge and innovation are important for economic growth and development, with networks and institutions being valuable foundations of the knowledge economy. The provincial government has a vital role to define and participate in existing interventions around innovation, adding value and engaging with specific actions to assist with nurturing and growing firm level competitiveness.

The HRD strategy carried out by WFD underpins the transformation of our society towards a more knowledge based society. Firms are actively competing in the international arena and require assistance and support in the global environment. The department intends shaping its portfolio in line with the needs of the firms and markets in this knowledge economy, investing in upskilling, HIV/Aids training and policy formation, R&D, innovation and the development and application of new technologies.

Workforce development

The strategy for WFD is sensitive and flexible to its environmental changes, acknowledging that although the MEDS has categorized priority, significant and watchlist sectors, any shifts impact on future employment trajectories and reshape or re-enforce the human resource or training required.

Current skills shortages and mismatches (quantity, quality and scope) of skills availability are a significant constraint to enterprise competitiveness. WFD, in response to the latter needs, successfully completed demand and supply led skills research in BPO, oil and gas, ICT and tourism, complementing existing research by MEDS skills shortages by occupational categories

FIGURE 5.2: Scarce skills by occupational categories, 2004-2009

<p>Experienced and qualified managers, including</p> <ul style="list-style-type: none"> • Project managers • Financial managers • Sales and marketing managers • General managers • Business leadership • Entrepreneurs 	<p>Technicians and associated, including</p> <ul style="list-style-type: none"> • Insurance brokers • Bookkeepers • Sales workers • Buyers • Qualified ETD practitioners • Technicians including <ul style="list-style-type: none"> • Clinical, phlebotomy, medical, water, IT, Electrical, Aircraft, mechanical • Entrepreneurs 	<p>Researchers, including</p> <ul style="list-style-type: none"> • Marketing • Surveyors • Entrepreneurs 	<p>Craft and related trade workers, including</p> <ul style="list-style-type: none"> • Electricians • Plumbers
<p>Engineers, including</p> <ul style="list-style-type: none"> • Mining • Chemical • Electrical • Mechanical • Electronic project • Civil • Design • Nuclear • Clinical 	<p>Skilled workers, including</p> <ul style="list-style-type: none"> • Skilled horticulture workers • Maintenance personnel 	<p>Financial specialists, including</p> <ul style="list-style-type: none"> • Chartered accountants • Auditors • Actuaries • Financial/business analysts/consultants • Advisors 	<p>Plant and machine operators, including</p> <ul style="list-style-type: none"> • Taxi drivers • Machine operators • Plant operators
		<p>Service/ shop/ market sales workers, including</p> <ul style="list-style-type: none"> • Qualified recruitment specialists • Sales personnel • Fire fighters • Traffic officers • Police officers 	<p>Clerk, including</p> <ul style="list-style-type: none"> • Debt collectors • Conveyance secretaries • Administrative clerks

Source: MEDS synthesis report, 2006, pg 110

Acknowledging that the Western Cape shares the national trend of skill-biased employment creation, WFD aims to have a balanced portfolio of skills interventions to meet the high prioritization of JIPSA within the national initiative to meaningfully impact on employment, transformation, and growth within the economy of the Western Cape. Initiatives currently in WFD include entrants into the workforce, retraining and multi-skilling strategies towards attaining intermediate and high level skills.

In the forthcoming year, WFDI intends developing and intensifying support for training interventions which address specific skills shortage within identified sectors, funding enabling infrastructure, skills platforms and/or frameworks, and facilitating an increase in opportunities for gaining workplace experience through particularly apprenticeships or internships. Sourcing innovative projects and co-investing with other units in the department will ensure leveraging funds, human resource, experience and knowledge to ensure interventions are more intensified and impact visible in the medium and long term. The sub directorate has skills interventions based on the consolidated reports and meeting the requirements of industry for the following six sectors identified in the MEDS: boat-building, ICT, tooling, BPO, creative industries and oil and gas.

The following implementation channels are supported

- Creation of enabling mechanisms with relevant stakeholders through infrastructure, train the trainer initiatives, skills platform formation, further development of unit standards (particularly in clothing and textiles, boat-building, oil and gas), intellectual property rights, assessment tools, quality control, international accreditation of courses and development of curriculum/educational courses with educational institutions and the private sector to ensure alignment with industry needs.
- Supporting the furthering of skills acquisition for out of school youth with regards to new media and animation, tooling, call centers and supplementing school training with regards to IT requirements. Support for in school programs with regards to IT and visual arts, encourages career streaming to cater for the demands of the industry.
- Skills training in boat-building and the oil and gas sectors have increased the recruitment and selection of unemployed women and disadvantaged men from the rural areas.
- Promoting and marketing the value of skills development through increasing awareness of learning and work opportunities. production of a career pathing guide/handbook, fact sheets of various government and educational and training institutions around economic growth areas and various careers available as well as listing the institutions offering the training interventions. Awareness provides opportunities for cross training, guidance for upskilling opportunities, and generally attract people to priority and or watchlist sectors.

SPECIFICATION OF MEASURABLE OBJECTIVES AND PERFORMANCE INDICATORS

Strategic objective		To grow the economy in a sustainable manner, for the benefit of all who make the Western Cape their home To make citizens and their enterprises effective players in the global economy							
Measurable objective	Performance measure or indicator	Base Year 2007/2008	Year 1 2008/2009	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year 2 2009/2010	Year 3 2010/2011
Enhancement of workforce development within ICT sector	Learners trained (IT program)		60				60	100	150
	Number of scoped interventions packaged		1				1	Roll-out of further interventions	Roll-out of further interventions
	Learners trained		40				40	200	300
Enhance workforce development within BPO sector	Learners trained (CADET program)		100				100	150	150
	Number of interventions to address industry needs		1 Feasibility study on Afrikaans to Dutch completed			Completion of feasibility study		Roll-out of programme	Roll-out of programme

Strategic objective		To grow the economy in a sustainable manner, for the benefit of all who make the Western Cape their home To make citizens and their enterprises effective players in the global economy								
Measurable objective	Performance measure or indicator	Base Year 2007/2008	Year 1 2008/2009	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year 2 2009/2010	Year 3 2010/2011	
Enhance workforce development within creative Industries	Number of individuals trained on intellectual property rights		40				40	100	150	
	Number of individuals trained in the film and creative sector	Establishment of resource centre 3272	3418	862	719	860	995	12000	14000	
	Number of individuals trained in visual literacy		140				140	200	200	
Enhance workforce development in tooling	Number of interventions to address industry needs		1 Handbook produced			Handbook completed		Revise and update handbook and ensure its distribution and utilization		
	Number of toolmakers upskilled in new technologies	Supply and demand research study completed	50				50	60	80	

Strategic objective		To grow the economy in a sustainable manner, for the benefit of all who make the Western Cape their home To make citizens and their enterprises effective players in the global economy										
		Performance measure or indicator	Base Year 2007/2008	Year 1 2008/2009	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year 2 2009/2010	Year 3 2010/2011		
Measurable objective	Enhance workforce development in boat-building	Number of interventions to address industry needs	Skills platform established in the boat-building sector	3 assessment tools developed		3 assessment tools developed			Use data gathered from assessment tools to establish a database of learners for prospective industry stakeholders			
		Number of unit standards developed		8		4				10		
		Number of trainers accredited		4						4	4	
		Number of learners completing short courses and placed in companies		15						15	40	100

Strategic objective		To grow the economy in a sustainable manner, for the benefit of all who make the Western Cape their home To make citizens and their enterprises effective players in the global economy							
		Base Year 2007/2008	Year 1 2008/2009	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year 2 2009/2010	Year 3 2010/2011
Enhance workforce development in oil and gas	Performance measure or indicator								
	Number of interventions to address industry needs	Demand and supply side research	2 interventions Assessment system researched and completed Design train the trainer programme				Assessment system completed Train the trainer programme designed	Utilize assessment systems in recruitment and selection processes	
	Number of learners trained/upskilled		200				200	250	400
Enhance workforce development in manufacturing	Performance measure or indicator								
	Number of unit standards developed/purchased		10				10	20	10
	Number of interventions to address industry needs in the clothing and textile industry		2 assessment tools developed				1 assessment tool complete	1 assessment tool complete	Use data s gathered from assessment tools to establish a database of learners for prospective industry stakeholder

Strategic objective		To grow the economy in a sustainable manner, for the benefit of all who make the Western Cape their home To make citizens and their enterprises effective players in the global economy								
Measurable objective	Performance measure or indicator	Base Year 2007/2008	Year 1 2008/2009	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year 2 2009/2010	Year 3 2010/2011	
	Number of career awareness interventions		1 handbook produced			1 handbook completed		Revise and update handbook and ensure its distribution and utilization		
	Number of trainers trained		4			2	2	4	4	
	Number of unit standards developed/purchased		15			10	5	20	20	
	Number of interventions to meet industry needs around quality control and upskilling (CIMM)	Train the trainer and sampling workshop completed	2 skills training sessions on electron Microscopy 2 skills training sessions on sampling 2 skills training session on design and analysis of experiments		Completed 1 skills training session on sampling	Completed 2 skills training sessions on electron microscopy	Completed 1 skills training sessions on sampling Completed 2 skills training session on design and analysis of experiments	Continue providing professional training requirements through needs analysis of industry demands		
	Number of learners trained/upskilled		100				100			

Strategic objective		To grow the economy in a sustainable manner, for the benefit of all who make the Western Cape their home To make citizens and their enterprises effective players in the global economy							
Measurable objective	Performance measure or indicator	Base Year 2007/2008	Year 1 2008/2009	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year 2 2009/2010	Year 3 2010/2011
Coordinated and joined up strategies within the workforce environment	Number of projects/initiatives supported		3				3	3	4
	Number of learners exposed		2 000				2 000	4 000	8 000

Innovation

The main goal of the unit is to maximize the competitiveness of sectors and industries through innovation and technology, specifically those sectors and industries linked to the Science Education and Training (SET) sectors and prioritized by MEDS. The unit will deliver the goals of iKapa Elihlumayo through:

- developing programs to drive productivity, growth and industrial upgrading within and across sectors, and
- identifying and developing programs to promote innovative practices, and adopting globally competitive technologies within sectors, firms and institutions.

Partnering to add value to consortiums or institutional, sector or firm bodies at the forefront of innovation is key to ensuring knowledge is gained and regional innovation harnessed in the Western Cape. The department is aware that adopting innovation as a systems process influences its implementation plan, as it facilitates and supports collaboration amongst the innovator, institutions and the innovation user.

To give effect to the above, the unit has developed the following priorities as interventions for the forthcoming year:

To promote, support and implement high technology and innovation interventions:

- The Innovation Unit has as its principle partner the Department of Science and Technology (DST), whose mandate is to develop the National System of Innovation (NSI). In order to deliver local innovation systems, DST works through the provincial and local government innovation units. DST has established a presidential programme (COFISA) with the Finnish government to assist in the development of local innovation systems in South Africa. All projects undertaken by the department's innovation unit will be in partnership with the COFISA Programme.
- The Innovation Unit will for the first time commission a MEDS study on innovation and technology. The outcomes of the study will include general as well as specific recommendations for interventions.
- Identify and develop interventions to improve the adoption of ICT and e-commerce across all firms and to all citizens. In addition to the MEDS study research in technology gaps in the boatbuilding and ICT sectors, further research will be conducted with recommendations on how to close the gaps through implementable projects. Also the development of innovation clusters and forums at general as well as industry specific levels will be developed through the research and workshop programmes.
- Facilitate programmes to drive productivity, growth and industrial upgrading within and across sectors. Investigative work in the possible impacts of technical textiles on the struggling clothing and textiles industry may reveal new areas for profitable investment and employment.
- The continued support to R&D institutions such as the Advanced Manufacturing Laboratory (AMTL) has already showed promise for increasing the interaction between firms and R&D institutions.

SPECIFICATION OF MEASURABLE OBJECTIVES AND PERFORMANCE INDICATORS

Strategic objective		To grow the economy in a sustainable manner, for the benefit of all who make the Western Cape their home To make citizens and their enterprises effective players in the global economy							
Measurable objective	Performance measure or indicator	Base Year 2007/2008	Year 1 2008/2009	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year 2 2009/2010	Year 3 2010/2011
Strengthening the Provincial System of Innovation (PSI)	Number of workshops held	Establish an overarching innovation forum to map out a process towards a PSI	8	2	2	2	2	The development of specialised sub-forums around particular technologies	New specialised forums established
	The number of government agencies, science and technology bodies, and industry stakeholders involved.	15 players involved	30				30	70	100
		Pre-feasibility study on science parks in the Western Cape	Implement pre-feasibility recommendations Apply RPDM method to two sectors in the Western Cape			Implemented one of the prefeasibility recommendations	Implemented one of the prefeasibility recommendations	Monitor and evaluate the progress of the science park project	Monitor and evaluate the progress of the science park project
						RPDM method applied one of the sectors in the Western Cape	RPDM method applied to one of the sectors in the Western Cape	Revise the RPDM method and apply if appropriate to two more sectors in the Western Cape	Monitor and evaluate the progress of the regional systems of innovation implemented

Strategic objective		To grow the economy in a sustainable manner, for the benefit of all who make the Western Cape their home To make citizens and their enterprises effective players in the global economy							
Measurable objective	Performance measure or indicator	Base Year 2007/2008	Year 1 2008/2009	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year 2 2009/2010	Year 3 2010/2011
Supporting existing and new R&D and innovation institutions	Number of institutions supported interventions in the science and technology institutions	Establish CPU-AMTL Institute for Advanced Tooling Strengthening of Institute for Advanced Tooling CIMM fully established and CEO appointed	2 existing institutions supported and funded				AMTL funded and supported CIMM funded and supported	2 existing institutions supported 1 new institution established or supported	3 existing institutions supported 1 new institution established or supported
		20	20			20			
Assisting sectors to advance the technology frontier	Number of projects supported	Innovation strategies completed on ICT	1				1	Implementation of new strategies	Implementation of new strategies
	Number of sectoral innovation strategies developed		2				2	Strengthen interventions	Strengthen interventions

Strategic objective		To grow the economy in a sustainable manner, for the benefit of all who make the Western Cape their home To make citizens and their enterprises effective players in the global economy							
Measurable objective	Performance measure or indicator	Base Year 2007/2008	Year 1 2008/2009	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year 2 2009/2010	Year 3 2010/2011
Assisting sectors to advance the technology frontier	Number of interventions in the manufacturing sector	CEO appointed to CIMM 5 projects submitted by industry to CIMM	Interview 50 companies Report of the survey conducted Identifying 20 projects and link them to R & D sector initiate 15 of 20 R and D sector projects identified Creation of CIMM Website 100 targetted enquiries through the CIMM website 1 report on the effectiveness of the website and newsletters				Completed 50 interviews with companies Report completed regards the survey conducted Identified 20 projects and link them to R and D sector initiated 15 of 20 R and D sector projects identified CIMM website created 100 Targetted enquiries met through the CIMM website 1 report completed on the effectiveness of the website and newsletters	Implementation of new strategies	Implementa-tion of new strategies

HIV/AIDS

The department's HIV/Aids unit serves as facilitator between individual companies of economic sectors, other government departments and other relevant stakeholders in their efforts to upscale and accelerate the national response to HIV/Aids. The department further helps to assure coherence with international initiatives/standards and contribute to achieving nationally and internationally defined goals/targets.

Skills shortages have been a perennial problem for business in Africa, a situation that HIV is making worse as more skilled workers die. Companies continue to lose skilled, trained and experienced workers and have to invest in training of new workers continuously. The loss of experienced and skilled professionals saps production and increases the cost of skills.

With 8,6 % HIV prevalence in the Western Cape, being adults in the prime of their working lives, there is a need for the department to put in place practices to maintain productivity and prevent skills bottlenecks. Standardized quality implementations of workplace HIV/Aids programmes are being established across the Western Cape to address the problem. One of the first and major steps towards combating HIV/Aids is through a functional and effective HIV/Aids programme aimed at creating awareness around the disease, promoting behaviour change and providing medical, social and economic assistance to those affected and/or infected by the epidemic. This programme has to be driven, and regulated by a good HIV/Aids policy. The department took an initiative to intervene and provided funding towards the development of HIV/Aids policy and prevention, awareness, care and support programmes in the BPO industry in 2007. Peer educators and team leaders and manager training as councillors to help deal with the physical and psychological consequences of the disease will be initiated in the forthcoming financial year. The initiatives were motivated by the results of the survey conducted in three BPO companies. The findings highlighted a need for a formulation and implementation of prevention, care and support programmes that are driven by a comprehensive HIV/Aids policy, which promotes consultation and participation by all relevant stakeholders.

Small and medium sized firms often lack human and financial resources to implement an HIV/Aids plan, and thus the unit's intervention is essential in funding such initiatives. The unit pioneered and funded training interventions to go hand in hand with the toolkits for SMEs to lessen the overall burden of this sector to deal with the epidemic.

The unit's experience in the call centres is that corporate culture is not geared towards employee wellbeing as much as it is towards profit. The BPO sector is not unionized and thus the unit had to build up one-to-one relationships with the companies. This was time consuming. However, the strength of the intervention is that the various stakeholders were consulted before the policy was implemented, resulting in greater participation by all concerned.

The unit is re-strategizing its methodology so as to increase its reach in the priority sectors through:

- evaluating and refining interventions in companies in 2007/2008,
- forging relationships with reputable and experienced NGOs who have successfully worked with SMEs around designing and implementing HIV and Aids policies in the workplace, and
- strengthening partnerships with NGOs to assist delivery of the unit efficiently.

Re-strategizing in 2008/2009 will ensure that the unit harnesses its resources and leverage those from various partners to deepen the impact of the current program.

SPECIFICATION OF MEASURABLE OBJECTIVES AND PERFORMANCE INDICATORS

Strategic objective		To grow the economy in a sustainable manner, for the benefit of all who make the Western Cape their home To make citizens and their enterprises effective players in the global economy							
Measurable objective	Performance measure or indicator	Base Year 2007/2008	Year 1 2008/2009	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year 2 2009/2010	Year 3 2010/2011
Improve enterprise competitiveness by developing and implementing HIV and /or Aids prevention, awareness, care, support	Consolidating and improving HIV and Aids interventions in the workplace	Developed policies and programmes of 3 companies in BPO and awareness in boat-building Provided training and toolkits for HIV and or Aids in 242 SMEs	Conduct evaluation of the HIV and Aids program in 2007/2008 Restrategize units intervention Recruit partners to assist delivery of portfolio Implement one strategic project from the revised strategy		A report evaluating the HIV and Aids performance in 2007/2008	Revised strategy adopted Partners for delivery selected	One strategic project implemented	Strengthening partnership for delivery Implement one more strategic project from revised strategy	

5.4 RECONCILIATION OF BUDGET WITH PLAN (R'000)

Sub-programme	Year - 2 2005/2006 (actual)	Year - 1 2006/2007 (actual)	Base year 2007/2008 (estimate)	Year 1 2008/2009 (budget)	Year 2 2009/2010 (MTEF projection)	Year 3 2010/2011 (MTEF projection)
Management	2 674	1 906	2 905	5 167	6 442	6 697
Trade and investment promotion	9 578	11 222	11 700	15 700	16 800	22 200
Sector development	30 198	34 255	38 302	33 095	36 413	44 491
Industry development	2 689	5 994	8 028	16 057	29 609	31 438
Total programme	45 139	53 377	60 935	70 009	89 264	104 826

5.5 COORDINATION, COOPERATION AND OUTSOURCING PLANS

Interdepartmental linkages

Aquaculture initiative and strategy: Working with the Western Cape Department of Agriculture and the national Department of Marine and Coastal Management. DEDT is responsible for the drafting of the provincial strategy that will feed into the national strategy. Regular meetings and a task team have been put in place to ensure effective coordination.

Bio-fuels strategy: This is a joint project between the Western Cape DOA and DEDT. A provincial task team has been established and coordinated by DOA, with representation by DEDT, who are responsible for the economic impact assessment elements.

Through the Workforce Development Unit, joint programmes are undertaken by the premier's department and DEDT. This includes forums such as the higher education skills task team and SETA forum.

6. PROGRAMME 4: BUSINESS REGULATION AND GOVERNANCE

The purpose of Business Regulation and Governance is to ensure an equitable, socially responsible business environment within the Western Cape through general intervention within the trading environment, and through specific interventions mandated by the Constitution and the applicable national and provincial legislation and policies.

The programme is structured as follows:

- Corporate Governance,
- Consumer Protection (Office of the Consumer Protector), and
- Liquor Regulation.

Specified policies, priorities and strategic objectives

Most of the policies, legislative interventions, and strategic interventions within this programme are within the objective of iKapa Elihlumayo, which include liquor policy and legislation, both national and provincial, and consumer protection legislation, also both national and provincial.

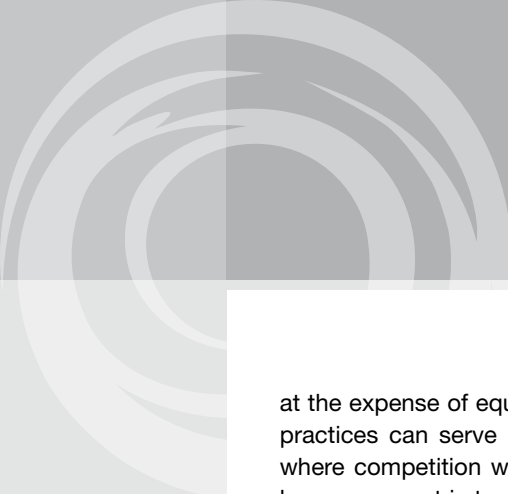
In our plans to meet the national and provincial priorities of accelerated and shared growth for our province and contribute to an environment that is fair, effective and conducive for enterprises and consumers, the following are key priorities:

The **Office of the Consumer Protector (OCP)** will seek to enhance the operation of the Consumer Tribunal. This will signal the full implementation of the Western Cape Consumer Affairs (Unfair Business Practices) Act. This act was passed in 2002 and its substrate (the OCP, the complaints management unit, complaints channels, including the walk-in centre in Cape Town, call centre, advice office network and cooperative agreements with other regulators) put in place. The efficiencies in the OCP's business processes, honed over several years as the leader in utilizing outsourcing (call centre) and electronic complaints management systems, will be further enhanced. The OCP will also seek to strengthen its position as the first and preferred reference point for consumers seeking information or access to redress, whether they are residents of or visitors to the province. Much time and effort will be spent on creating greater public awareness of the OCP and consumer rights and issues in general, and to establish the OCP and the tribunal as highly recognised and trusted brands. The establishment of the OCP as a provincial credit regulator in terms of the National Credit Act, 2005 (Act 34 of 2005), will also be pursued. The integration of the business community as partners in the advancement of consumer rights and education will be a priority in the years to come.

The main priority for **Liquor Regulation** will be the implementation of the provincial liquor act, including the establishment of the Liquor Board as a designated public entity in terms of the Public Finance Management Act, 1999 (Act 1 of 1999) and the establishment of a fund to combat the social ills of liquor trading and consumption, one of the imperatives of the provincial liquor policy which informed the drafting of the Western Cape Liquor Bill. The various initiatives to raise awareness and curb the prevalence of FAS and other health and safety consequences of abusive liquor consumption will eventually be transferred to this fund. The improvement of business processes, which has already facilitated the elimination of the board's once-infamous backlog of applications, will be further pursued with the implementation of a new electronic licensing system. The unit's inspectorate will also be expanded to ensure that the implementation of the new legislation does not falter on account of a lack of capacity in that area. The vexed issue of unlicensed liquor traders ("shebeens") will be addressed through measures for their legalisation incorporated in the legislation (an exemption provision) as well as initiatives to mainstream these businesses through training and provision of finance and business support. Whilst this is a long-term project, over the short term the unit will also seek to enable both informal and mainstream liquor businesses to capitalize on the possibilities presented by the 2010 FIFA Soccer World Cup events to be staged in the Western Cape.

Progress analysis

Regulation, once generally viewed as antidevelopment and a negative force in an environment seeking to grow the economy, has in recent years come to be seen as an enabling factor ensuring that all the economic role-players – consumers, enterprises and the various levels of government – cooperate in a structured, legally secure and predictable environment towards economic growth and transformation. The plethora of regulatory institutions that have been created in post-apartheid South Africa has, over time, largely gained a reputation as an effective barrier against abuse and exploitation of consumers, including small businesses, promoting sound and ethical business practices. There is a growing realisation on the part of the business sector that economic growth should not be



at the expense of equity and that fairness to consumers and the espousal of responsible trading and production practices can serve as competitive advantages that will stand them in good stead in a globalized economy, where competition will increasingly be against foreign rivals as opposed to local ones. The approach adopted by government is to establish and implement mechanisms that will unlock the benefits of the country's rampant, robust economic growth, whilst minimizing social costs by striving towards social objectives such as reduction of personal debt, providing affordable and transparent access to credit, empowering HDIs and developing social and economic infrastructure.

The Western Cape carries heavy social burdens that need to be addressed through appropriate and effective regulatory measures. It has, for example, the highest incidence of foetal alcohol syndrome in the world, the highest teenage pregnancy rate in the country, often linked to alcohol abuse, and its populace is, in line with the rest of the country, heavily over-indebted. It is against this backdrop that the department, as the driver of economic development in the province, commits itself to the promotion of social responsibility in the trading environment.

It is also against this backdrop that the Business Regulation and Governance Unit has over the past year continued to evolve and refine its business processes and procedures to render a more effective and efficient service to its customers, liquor licence applicants and holders, as well as aggrieved consumers, in particular, and members of the public (potential consumers and potential objectors to liquor licence applications) in general. Both the OCP and the Liquor Board have distinguished themselves as the benchmarks in service delivery in their respective areas, but in accordance with its stated approach of constant review and improvement, and in pursuit of excellence, goal posts have been shifted wherever achievements in the past year have indicated the possibility of yet better results and efficiencies.

The Office of the Consumer Protector implemented several enhancements of the Correspondence Management and Tracking System (CMaTS) complaints management system, with benefits including better management reporting, increased productivity of individual users of the system, better analysis of complaints, and better and easier monitoring of turnaround times. All of these enhancements made the system an effective tool for service delivery improvement in the hands of both management and the users of the system, with positive feedback reported by consumers.

The implementation of the recommendations of an M & E study on the advice office funding and support programme has commenced. The main recommendations – namely that the programme should be continued and internal administrative support therefore increased – have already had positive spin-offs: The sense of security on the part of the OCP-funded advice offices, as well as the improvements wrought by the additional staff approved and appointed on the basis of the recommendations, have led to a clear and demonstrated improvement and tighter monitoring of service by the advice offices.

All the prerequisites for the Consumer Tribunal to commence operating have been initiated, including developing a draft of the regulations to the Western Cape Consumer Affairs (Unfair Business Practices) Act.

The communications, marketing and education functions of the unit are set for full execution with the recruitment of staff after several years of chronic understaffing. The fact that a record number of public engagements were executed in 2006/2007 bodes well for initiatives such as website development and a range of high-level marketing and education projects that have been identified and can finally be executed with the human resource requirements now available. Years of networking and relationship-building with the various regulatory bodies have already begun to pay off, with many joint consumer education workshops and initiatives executed in 2006/2007 and the basis laid for more in the years to come.

Within the **Liquor Regulation**, improvements in information and query management around liquor licence applications brought about by the implementation of a customised version of the CMaTS during 2006 continues to yield results. However, the need to integrate all aspects of the liquor licence application process in a single computer software system has led to negotiations with another regulator to utilize its licensing administration system, developed and enhanced over several years of use, as a basis for such a full-specification system. This system will replace both the outdated “clipper” liquor licensing system that has been in use since the early 1990s, and might replace the CMaTS, which in its current state does not offer the functionalities required to manage the full spectrum of transactions required to process liquor licence applications, including receipt, processing,

consideration by the board, postponements and interim actions such as inspections, approval and issuing, as well as all the financial transactions pertaining to the application.

The board's high work rate, which resulted in the elimination of its infamous backlog in applications by May 2007, will be sustained. Board meetings are now generally scheduled some 4 months in advance and more meetings are held in the rural regions of the province than ever before in the history of the board.

Initiatives to mainstream HDI-owned liquor outlets will gain momentum with the implementation of the new provincial liquor legislation, which will for the first time, in conjunction with amendment to scheme regulations specifically catering for liquor outlets in certain residential areas, allow such outlets to trade without a licence, but with a temporary exemption. A further, simple yet effective improvement was brought about by the amendment of the wording of the renewal notices sent out to licence holders in October 2006. This has led to a dramatic drop in the number of non-renewals in the 2006/2007 renewal period. Further measures to prevent or reduce non-renewal of licences have been incorporated in the Western Cape Liquor Bill.

The board has also investigated the outsourcing of some of its business process in pursuit of further service delivery improvement. These include a call centre interface, licence detail updating and bulk e-mail and SMS notifications in respect of payment of new licence fees and annual licence renewals. Preliminary results from the investigation are encouraging and will be pursued with the introduction of the new legislation.

The inspectorate carried out a record number of inspections in 2007/2008, in line with the board's new approach of utilizing the services of the inspectorate to circumvent delays brought about by the slow responses from the designated police offices to requests for final and specific inspections of premises in respect of which licence applications are under consideration.

Analysis of constraints and measures planned to overcome them

The major constraints faced by the BR&G Unit in 2006/2007 have been in the areas of legislation and human resources. The OCP's planned implementation of the Western Cape Consumer Affairs Act was delayed by both the spectre of national legislation (the National Credit Act) and its implications for the OCP as a regulator, as well as lack of human resources to drive the process. The finalization of the Liquor Bill suffered many unplanned delays, including several postponements of public participation processes and the extension thereof, to provide yet more opportunity for public comment, delays in the legislative process where consultation is peremptory (e.g. with regard to the compliance with the national Liquor Act, 2003 (Act 59 of 2003)), and issues concerning the process of the Premier assenting to and signing the Bill.

The OCP has, despite its leading position as an NGO funder in the province, and its demonstrated leadership in NGO/government cooperation, not been able to coordinate or channel additional funding to the advice offices from either government departments or other NGO donors. It will therefore seek representation on the steering committee of a national advice office coordinating body which was established in 2006/2007. It is hoped that its membership of this steering committee will create possibilities for alternative funding and/or revenue streams for the cash-strapped and under-resourced advice offices.

The delays in the finalization of the liquor legislation have prevented completion of many projects and initiatives, most notably those relating to training and education. Little training was done and few information sessions held during 2006/2007 and the first part of 2007/2008, and a massive information drive was launched in the final stages of the year to bring stakeholders up to speed with the new legislation, so as to facilitate smooth implementation.

The fact that the Liquor Bill was not passed into law at the envisaged time, also prevented the department from procuring a new licensing system legislation as planned. The sourcing of a system that has demonstrated its efficacy in a licensing environment, and has been refined and improved, over a period of years, will eliminate many of the pitfalls associated with "from the ground up" system development.

Human resource constraints occasioned by delays in filling of posts (once again forced through the under-collection of liquor revenue) hampered optimal delivery in the programme. However, the OCP sub-programme managed to make appointments in a number of strategically important positions, including a director responsible for overall

management of the sub-programme. This appointment will ensure that specific mandates and objectives will be able to be achieved timeously and effectively. In addition, an official with specific responsibility to oversee and manage the advice office programme has been appointed, greatly assisting the unit in monitoring the effective performance of individual advice offices that are supported by the OCP. The selection and recruitment process for the appointment of two additional manager positions within the unit is also being finalized. These positions will address the need within the education and marketing component as well as the Consumer Tribunal Division. These appointments will be finalized within the 2007/2008 financial year and will further enable the OCP to effectively meet its objectives.

Description of planned quality improvement measures

Focus:

The work done in 2007/2008 relating to work flow management and the structural adjustment made to gear the Liquor Board towards operating as a public entity will be continued.

The reduction of timeframes, which has been successfully implemented at both units during 2007/2008, will continue to be investigated and institutionalized in the daily operations of both units.

Stakeholder relations:

New technologies, particularly electronic information management systems, call centre technology, electronic data storage and retrieval and electronic communication with stakeholders (bulk SMS and e-mail) will be assessed for their suitability for processes, and staff will be orientated to embrace and apply these technologies.

Communication:

At the same, the use of traditional means of communication and awareness-raising, such as print media campaigns, mass commuter-targeted information and marketing initiatives and industrial theatre will be continued so as not to marginalize communities and individuals not yet integrated in the information age.

Training:

Training and ongoing orientation of staff towards better customer service, coupled with a system of reward to further inculcate this, will drive the unit's approach to improved service delivery.

Monitoring and evaluation:

The business of the BR&G unit demands constant review and improvement in order to deliver a service of the level expected by demanding customers, such as liquor licence applicants, the very survival of whose businesses often depend on quick, efficient and error-free processing of applications, and consumers whose financial wellbeing and right to consumer satisfaction depends on fast, efficient and responses to their complaints lodged with the OCP. To this end, both the OCP and the Liquor Board will continue to monitor, review and adapt its processes, procedures and systems to identify opportunities for improvement, even if only incremental. The units will seek to identify the additional resources – human, infrastructural and financial – required to bring about such improvements.

6.1 SUB-PROGRAMME 4.2: CORPORATE GOVERNANCE

Specified policies, priorities and strategic objectives

The Sub-programme: Corporate Governance is newly established, emanating from the programme structure alignment process carried out under auspices of National Treasury in 2006/2007.

Most of the policies, legislative interventions, and strategic interventions within this sub-programme are within the objective of iKapa Elihlumayo, which include business development legislation and policy, both national and provincial.

In our plans to meet the national and provincial priorities of accelerated and shared growth for our province and contribute to an environment that is fair, effective and conducive for enterprise development, the following are key priorities:

The corporate governance sub directorate's primary function will be the enhancement of systems and procedures in respect of business development within the province. One of the areas of focus relates to the monitoring of the legislation developed by municipalities in the area of business development. For example, municipalities are in terms of the Constitution as well as the Municipal Structures Act empowered to pass legislation on matters related to the informal economy. This would include implementing bylaws which regulate the business of vendor, street trader or hawker. The corporate governance sub directorate would thus be responsible for ensuring that legislation that is proposed by municipalities would promote the strategic vision and objectives of the department. This will be an important intervention as the informal sector is becoming increasingly important within the developing business sector.

The sub directorate will also be responsible for the evaluation of business licence application appeals that are submitted to the provincial minister. In terms of the current provisions of the Businesses Act, a municipality with jurisdiction in a particular area is designated as the authority responsible for approving or rejecting a business licence application. The legislation furthermore provides that the provincial minister responsible for economic development is authorized to act as the appeal authority in respect of such matters. The sub directorate will therefore be responsible for supervising and managing the business licence appeals process which would also include providing the minister with strategic advice if required.

SPECIFICATION OF MEASURABLE OBJECTIVES AND PERFORMANCE INDICATORS

Strategic objective		To create a fair and conducive business environment for enterprises and consumers							
Measurable objective	Performance measure or indicator	2007/2008 (estimate)	2008/2009 (target)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2009/2010 (target)	2010/2011 (target)
Evaluating existing and proposed business development legislation	Number of assessments completed		4	2		2		6	10
	Number of reports drafted		4	2		2		6	10
Evaluating business licence appeals	Number of appeals assessed and recommendations provided	2	3		1	1	1	4	6

6.2 SUB-PROGRAMME 4.3: OFFICE OF THE CONSUMER PROTECTOR

Specified policies, priorities and strategic objectives

The Western Cape Office of the Consumer Protector is primarily mandated to act as a consumer protection agency within the province by virtue of the provisions of national legislation. The mandate to perform consumer protection functions is derived from the Constitution of the Republic of South Africa. Schedule 4, Part A of the Constitution prescribes that the area of consumer protection is a functional area of concurrent national and provincial legislative competence. As a result this entails that at provincial level provincial governments have the authority to legislate on the arena of consumer protection and also provide associated services within this arena.

The unit's strategic priorities are derived from the departmental objectives, which are;

- promotion of a fair, efficient and transparent market place for consumers and business (providing protection to all economic citizens, including small businesses),
- provision of a consistent, predictable and efficient regulatory framework, which fosters consumer confidence, and at the same time recognizes the developmental imperatives of the South African economy,
- provision of access to effective redress for consumers as economic citizens (including enforcement of legislation and application of sanctions), and
- promotion of consumer rights awareness, by disclosure and access to information by consumers, and recognition and support of the role of activist and confident consumers in promoting a competitive economy.

The sub-programme has the following priorities:

To further enhance access to redress, both outside and inside of the judicial structures provided.

- This entails establishing the Consumer Tribunal as provided for in the Consumer Affairs Act, 2002 (Act 10 of 2002). The aforementioned Act has been assented to, but is not yet in operation. The primary reason for this is that the regulations which relate to the functioning of the tribunal need to be finalized. It is anticipated that the aforementioned regulations will be finalized before the end of 2008. This will therefore enable the department to obtain approval for the implementation of the Act and the operationalization of the tribunal. The latter, in turn, will enable the Consumer Protector to refer to the tribunal for adjudication of all the complaints that cannot be resolved through negotiation within the structures of the OCP. This therefore offers a powerful mechanism for the protection of consumers against unscrupulous activities of businesses and certain practices.
- In addition, the OCP aims to extend its complaints resolution service by way of providing a web-based service through which complaints can be lodged and also through which all feedback will be channelled. The extension and enhancement of the OCP's education, awareness and branding campaign will also ensure that the services offered by the OCP will be channelled to consumers who most need it. Furthermore, the strengthening and enhancement of the capacity and quality of service provided by advice offices will directly contribute to the achievement of this priority.

To interpret, implement and enforce existing or envisaged legislation and policy swiftly and consistently.

- This includes communicating the existence, scope and effect of such legislation, policies, rulings or judgements in respect thereof to both consumers and business so as to promote awareness, compliance and predictability in the regulatory environment. The aforementioned will have particular relevance with regards to the operations of the Consumer Tribunal and the other activities of the OCP. The same will apply as far as the Consumer Protection Bill is concerned. It is anticipated that the aforementioned legislation will come into effect during 2009/2010.

To upscale the capacity of the advice offices both on management and service delivery fronts.

- The recommendations contained in a report from a consultant commissioned during 2006/2007 have

already been partially implemented and will be used as a basis for further enhancing and improving service delivery provided by the twenty seven advice offices funded by the department. (The advice offices are located across the province and provide advice and assistance to consumers on consumer disputes and other consumer-related matters.) The consultant's report as well as evaluations conducted by the OCP have identified the need for certain improvements in terms of operational practice and management at the advice offices. The OCP is therefore finalizing a Service Delivery Improvement Plan (SDIP) for advice offices. This SDIP will formalize a service standard for advice offices with respect to the method and manner in which consumer complaints must be managed. The SDIP will also be used in conjunction with existing service level agreements to monitor and evaluate the performance of individual advice offices so as to ensure effective performance and value for money. The aforementioned interventions are in line with the OCP's objective of confirming its mandate as funder and strategic advisor to the advice offices and not "head office". In addition, the OCP has facilitated the establishment of the Western Cape Association of Advice offices (WCAOA) during 2006/2007. The WCAOA is the umbrella body for advice offices and as such will be responsible for performing a "head office" function for individual advice offices. The association has been provided with funding for its first year of operation and will be monitored for its efficacy with regard to the many non-core functions related to the advice offices which the OCP has had to execute over the years as the main funder of advice offices in the province, amongst other the resolution of labour disputes, provision of adequate infrastructure, sourcing of alternative funding and establishment with links at other levels of government (local and national) or other departments within the provincial government.

- The OCP will however continue to work towards improving and enhancing certain capacities at advice offices in order for improved service delivery to take place. One of these enhancements relates to the expansion of the electronic complaints management system to all advice offices, after its successful piloting in 2006/2007. This electronic system is identical to the one currently utilized by the OCP. It will thus lead to an alignment of systems which will in turn lead to an increased ability of the OCP to monitor complaints handling at advice offices.

To raise levels of awareness of consumer rights (and the concomitant obligations) through a range of interventions.

- This will include mass media campaigns (print, outdoor, commuter targeted, radio and television), group sessions (workshops and seminars), industrial theatre and other special performance and experiential learning type interventions as well as government and community partnerships. This will also include the implementation of disclosure, labelling, and "plain language" provisions, with appropriate marketing and educational support. The aforementioned campaigns will be that of a highly visible campaign, repeat exposure and of a high impact nature. The interventions will also be aimed at encouraging consumers to interrogate transactions they are contemplating so as to enable them to make informed decisions before they enter into such transactions. This will therefore have a direct bearing on consumer behaviour and create increased levels of consumer knowledge and thus directly lead to consumer protection.

To engage with and promote the business community as a partner in consumer protection and education.

- This will include identifying and rewarding consumer champions by way of positive reinforcement (positive media coverage, monthly and annual awards). In order to achieve this priority it will be necessary for the OCP to secure adequate resource allocation for improved communication awareness and education campaigns.

SPECIFICATION OF MEASURABLE OBJECTIVES AND PERFORMANCE INDICATORS

Strategic objective		To create a fair and conducive business environment for enterprises and consumers							
Measurable objective	Performance measure or indicator	2007/2008 (estimate)	2008/2009 (target)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2009/2010 (target)	2010/2011 (target)
Evaluating existing and proposed consumer related national and provincial legislation	Number of assessments completed	Assessment in respect of regulations done. One additional assessment done	4		2	2		6	10
	Number of reports finalized	2	4	1	1	2	1	6	10
Investigation and finalization of complaints in terms of CAA and other applicable legislation	Number of complaints attended to	4000	4400				4400	5060	6072
	Average number of days taken to finalize complaints	60	50	50	50	50	50	35	20
Building capacity within the network of advice offices funded by the department with focus on the STP - 21 Priority Areas	Number of advice offices funded by department	27	27	27	27	27	27	29	33
	Number of advice offices using Electronic Case Management System (ECMS)	1	27	27	27	27	27	29	33
	Annual Number of complaints dealt with at advice offices	2500	3000	750	750	750	750	3300	3960
	Number of advice offices entering into service delivery improvement plan with department		14		14			27	30
	Number of days taken to finalize complaints at advice offices		60				60	55	45

Strategic objective		To create a fair and conducive business environment for enterprises and consumers									
Measurable objective	Performance measure or indicator	2007/2008 (estimate)	2008/2009 (target)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2009/2010 (target)	2010/2011 (target)		
	Increase in annual number of complaints through implementation of SDJP		120				120	138	166		
	Number of training programmes presented to advice offices	1	2		1	1		4	5		
	Number of meetings of provincial body for advice offices (WCAOA)	4 WCAOA meetings held	10		3	3	4	20	30		
	Number of awareness events held by body for advice offices (WCAOA)	1 awareness or educational event held by WCAOA	2		1		1	5	6		
Identifying, devising and implementing and communication and marketing strategy for the OCP and advice offices and consumer protection services they offer	Number of educational events held by body for advice offices (WCAOA)		1			1		2	2		
	Number of marketing and awareness campaigns undertaken	2	6		3	3		10	15		
	Number of information brochures printed and distributed	5 000	10 000		3000	3000	4000	25 000	50 000		
	Number of consumers reached	100 000	250 000		125 000		125 000	500 000	1 million		

Strategic objective		To create a fair and conducive business environment for enterprises and consumers								
Measurable objective	Performance measure or indicator	2007/2008 (estimate)	2008/2009 (target)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2009/2010 (target)	2010/2011 (target)	
	Number of community radio broadcasts	4	6		2	2	2	10	15	
	Number of consumer newsletters distributed	500	1 000		500		500	5 000	10 000	
	Number of advice office newsletters distributed to department funded advice offices	1	6		2	2	2	12	12	
	Number of workshops/information sessions conducted	2	5		2	2	1	10	20	

6.3 SUB-PROGRAMME 4.4: LIQUOR REGULATION

Specified policies, priorities and strategic objectives

The Western Cape Liquor Board derives its mandate as a liquor regulator from the provisions of the Constitution, which declares liquor regulation to be a provincial legislative competency, the Liquor Act, 1989 (Act 27 of 1989), in terms whereof the function has been devolved to provinces after the adoption of the Constitution), as well as the new national Liquor Act, 2003 (Act 59 of 2003), which confirms the provinces' role as licensing authorities for micro-manufacturing and retail sale of liquor.

The board's strategic priorities are derived from the department's strategic objectives. The following priorities have been set in particular:

- the regulation, thorough licensing and enforcement of licence conditions, of the micro-manufacturing and retail sale of liquor in the province,
- the development and transformation of the liquor industry, and
- the development of a culture of responsible trading in and consumption of liquor.

The establishment of the Liquor Board as a public entity will be the main, over-arching activity of this unit for the next financial year and beyond. The board's broad mandate, namely to regulate all aspects of the retail and micro-manufacturing tiers of the liquor industry within the Western Cape and to develop measures to address the negative consequences of the liquor trade and consumption, will be executed within the structure of the public entity.

The sub-programme has the following priorities:

Implementation of the Western Cape Liquor Act:

- The Liquor Bill was approved by the legislature on 27 March 2007, but its implementation has been delayed by a number of factors beyond the control of the board. The regulations to the legislation have been completed, certain disputes with the national Department of Trade and Industry resolved and optimal or minimum staffing requirements for implementation of the legislation determined. The Act is therefore ready to be implemented.

Training of own, municipal and SAPS staff on the new legislation:

- This will be a massive roll-out over a short period of time to facilitate the smoothest possible transition from the 1989 Act to the new provincial legislation.

Reviewing its processes and procedures with a view to passing improving efficiencies and reducing turn-around times:

- The reports on and implementation of new business processes to fast-track applications have paid off during 2006/2007 and 2007/2008. The restructuring of the board will afford the unit another opportunity to align staff with processes and further capitalize on efficiencies.

The transformation of the industry in accordance with BBBEE imperatives:

- Transformation will be supported. Interventions in this area will be based on the outcome of a research study on the industry commissioned in 2006/2007, but initiatives with the potential to contribute to job creation and tourism, especially with a view to the Soccer World Cup 2010, will be prioritized, along with initiatives to facilitate the entry of suitable existing trading establishments into the regulated trade through the new provincial liquor legislation, provide training and non-financial support, facilitate the entry of black manufacturers as micro-manufacturers into the wine industry, particular at the higher value end of the industry.

The board will prioritize and coordinate initiatives towards development of a culture of responsible use of liquor to combat and replace the existing culture of misuse.

- This is to be achieved through the education of the liquor manufacturers and retailers and raising the awareness on the part of the consumers of liquor of the harm associated with abuse, in line with international best practice. Mandatory training programmes are to be developed, the implementation of which will require that liquor retailers, in particular, be aware of and comply with their legal and social responsibilities in this regard. In raising awareness of the general public in terms of an ethos of responsible consumption, the focus will be on groups at risk, such as pregnant women and juveniles.

SPECIFICATION OF MEASURABLE OBJECTIVES AND PERFORMANCE INDICATORS

Strategic objective		To create a fair and conducive business environment for enterprises and consumers To grow the economy in a sustainable manner, for the benefit of all who make the Western Cape their home								
Measurable objective	Performance measure or indicator	2007/2008 (estimate)	2008/2009 (target)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2009/2010 (target)	2010/2011 (target)	
Establishing Liquor Board as fully-fledged public entity	Percentage compliances to legislation governing public entities	WC Liquor Act and regulations promulgated	70 % through appointment of board members, installation of IT infrastructure and establishment of corporate governance systems	Various available IT systems assessed and decision made on which to procure as liquor licensing administration system	Ministerial approval obtained for corporate governance systems	Corporate governance systems implemented	Implementation of corporate governance systems monitored and amendments to improve recommended to minister	80% though completion of secondments of departmental staff, establishment of fund to address social cost of liquor abuse, filing first business plan and first annual report as independent public entity	100% though completion of review 3-year review of Act, Regulation and business processes.	
				Corporate governance systems drafted for board as public entity						
				IT (liquor licensing) system procured and installed and staff trained in its use	Feedback to suppliers and modifications adjustments effected	Liquor licensing system fully implemented				
Manage the process for liquor licence applications	Number of new applications received	1 200	1 800	450	450	450	450	2 000	2 200	
				450	450	450	450	2 200	2 500	
				400	400	500	300	1 800	2 000	
	Number of secondary applications received	1 600	1 800							
	Number of applications processed	1 000	1 600							

Strategic objective		To create a fair and conducive business environment for enterprises and consumers To grow the economy in a sustainable manner, for the benefit of all who make the Western Cape their home							
Measurable objective	Performance measure or indicator	2007/2008 (estimated)	2008/2009 (target)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2009/2010 (target)	2010/2011 (target)
	Number of applications submitted to board for consideration	1 300 secondary applications	1 600	400	400	500	300	2 000	2 200
	Number of new applications finalized	900 new applications	1 500	200	250	300	150	1 600	1 900
	Number of secondary applications finalized	1 100 secondary applications	1 500	250	300	300	250	1 800	2 100
Increasing inspection capacity and execution in terms of the applicable liquor legislation	Number of inspectors trained	Training manual on new legislation developed for Liquor Board inspectors	Liquor Board inspectors fully trained on new legislation	All inspectors on staff establishment trained in-house	Accreditation process managed and monitored	Inspectors assessed on in-house training	Further in-house training	Training accredited	Accredited training offered
	Number of random inspections conducted	Business plan compiled for random inspection of all premises licensed more than 1 year over 3-year period	Process for accreditation of training manual commenced	Business plan compiled for random inspection of all premises licensed more than 1 year over 3-year period	Business plan reviewed and amended if required	Accreditation process finalized	50% of targeted licensed premises inspected	Random inspections at 75% of licensed premises (25% of 2008/2009 inspections repeated)	Random inspections at all licensed premises

Strategic objective		To create a fair and conducive business environment for enterprises and consumers To grow the economy in a sustainable manner, for the benefit of all who make the Western Cape their home								
		Measurable objective	Performance measure or indicator	2007/2008 (estimated)	2008/2009 (target)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2009/2010 (target)
Training of SAPS officials (DLOs) and municipal officials	Number of inspections ordered by board that are carried out within stipulated period after order	75% of instructed inspections conducted within 21 days of referral by board	50% of instructed inspections conducted within 21 days of referral by board	60% of instructed inspections conducted within 21 days of referral by board	70% of instructed inspections conducted within 21 days of referral by board	75% of instructed inspections conducted within 21 days of referral by board	85% of instructed inspections conducted within stipulated period	All instructed inspections conducted within stipulated period		
	Development and production of training manual for DLOs	Training manual produced	Training manual produced Training manual revised, finalized and printed							
	Number of DLO training sessions conducted	6	1	2	2	1	Two training sessions held per district municipality	Two refresher training sessions held per district municipality		
Training (mandatory and voluntary) of liquor licensees and prospective licensees on responsible liquor trading with focus on the STP - 21 Priority Areas	Development and production of training manual for municipal officials	Training manual produced	Training manual produced Training manual revised, finalized and printed							
	Number of municipal training sessions conducted	6	2	2	1	1	Two refresher training sessions held in each district municipality	Two refresher training sessions held in each district municipality		
	Number of prospective licensees trained	200	20	50	80	50	75% of prospective licensees (applicants) trained	All prospective licensees (applicants) trained		
	Number of existing licensees trained	300	50	100	100	50	600			

Strategic objective		To create a fair and conducive business environment for enterprises and consumers To grow the economy in a sustainable manner, for the benefit of all who make the Western Cape their home								
		2007/2008 (estimated)	2008/2009 (target)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2009/2010 (target)	2010/2011 (target)	
Measurable objective	Performance measure or indicator									
	Number of projects identified		5	3	2				8	11
	Number of projects implemented		3	2	1				5	7
	Number of radio talks (own and/or ARA or similar)		24	3	6	9	6		36	36
	Items of educational material produced (own and/or ARA or similar)		100 000	20 000	30 000	30 000	20 000		150 000	200 000
	Number of campaigns executed for responsible trading and consumption of liquor (own and/or ARA or similar)		2 campaigns and external assessment	Preparation for campaigns initiated and/or concluded	1 campaign launched	First campaign assessed and 2nd campaign launched	2nd campaign assessed		3 campaigns and external assessment	At least 4 campaigns and external assessment
	Number of consumers reached (self and/or through ARA or similar)		50 000	10 000	20 000	20 000			75 000	100 000
	Number of traders reached (self and/or through ARA or similar)		500	100	200	200			1 000	2 000

Strategic objective		To create a fair and conducive business environment for enterprises and consumers To grow the economy in a sustainable manner, for the benefit of all who make the Western Cape their home								
		2007/2008 (estimated)	2008/2009 (target)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2009/2010 (target)	2010/2011 (target)	
Measurable objective	Performance measure or indicator									
	Number of awareness sessions conducted through FASfacts or similar	200	50	75	50	25	250	300		
	Number of learners reached through FASfacts or similar	5 000	1 500	1 500	1 000	1 000	6000	7 500		
	Number of farm workers reached through FASfacts or similar	1 000	300	350	150	200	1 500	2 000		
	Number of shebeen traders reached through FASfacts or similar	200	50	75	50	25	500	900		
	Number of radio listeners reached through radio campaign by FASfacts or similar	200 000	50 000	50 000	50 000	50 000	250 000	300		
	Number of awareness sessions held on farms through DOPSTOP or similar	25	5	10	5	5	30	50		
	Number of farm workers reached through DOPSTOP	400	100	150	100	50	600	1 000		

Strategic objective		To create a fair and conducive business environment for enterprises and consumers To grow the economy in a sustainable manner, for the benefit of all who make the Western Cape their home							
Measurable objective	Performance measure or indicator	2007/2008 (estimated)	2008/2009 (target)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2009/2010 (target)	2010/2011 (target)
Development and transformation of the informal liquor industry with focus on the STP - 21 Priority Areas	Number of HDI traders mainstreamed		20	5	10	5		At least 30 additional and support to and monitoring of initial 20	At least 50 additional and support to and monitoring of initial 50
	Number of workshops conducted for informal traders with regard to FIFA 2010 opportunities		6		2	3	1	One workshop in each of the 6 district municipalities	
	Number of intra-governmental initiatives participated in to combat crime connected with and negative perceptions relating to the liquor industry.		1 anti crime plan implementation	Draft anti-crime plan finalized and discussed with stakeholders	First phase of plan implemented	Review of first phase	Second phase of plan implemented and reviewed	Review, refine and continue implementation of anti-crime plan	Complete 3-year implementation of anti-crime plan and complete external post-implementation review

6.4 RECONCILIATION OF BUDGET WITH PLAN (R'000)

Sub-programme	Year - 2 2005/2006 (actual)	Year - 1 2006/2007 (actual)	Base year 2007/2008 (estimate)	Year 1 2008/2009 (budget)	Year 2 2009/2010 (MTEF projection)	Year 3 2010/2011 (MTEF projection)
Management	520	5	711	1 004	1 054	1 098
Corporate Governance				305	522	543
Consumer Protection	4 419	5 502	5 942	7 013	7 711	8 883
Liquor Regulation	3 818	4 765	5 467	7 569	8 481	8 753
Total programme	8 757	10 272	12 120	15 891	17 768	19 277

6.5 COORDINATION, COOPERATION AND OUTSOURCING PLANS

Interdepartmental linkages

Liquor Regulation:

- The Department of Justice, more particularly magistrates' courts in the Western Cape, has to receive liquor license applications on behalf of the Liquor Board: Applicants lodge their applications with the magistrate for the area where the liquor licensed establishment is to be located (in terms of regulation 2 issued under the Liquor Act, 1989). The magistrate also receives objections, petitions and representations (regulation 7) and the requisite report from the designated police officer (regulation 8) and, where applicable, the applicant's reply (regulation 9), all of which then have to be forwarded to the board to enable it to consider the applications.
- The SARS, an entity accountable to the Department of Finance, collects and pays over to the department licence and annual (renewal) fees in terms of the provisions of the Liquor Act.
- The SAPS, which falls under the Department of Safety and Security, is obliged to render reports in respect of liquor licence applications (in terms of section 140 of the Liquor Act) and on certain licence holders and premises (section 141).
- Contact has been established with the Department of Community Safety regarding dissemination of information around licensing of residence-based liquor outlets (shebeens, taverns). The relationship has not been formalized and the two departments' responsibilities have therefore not yet been clearly defined. The departments already co-hosted one information session and have started discussion on a project to reduce crime in the vicinity of these outlets.

Local government linkages

Liquor Regulation:

- The unit does not currently have any formal or statutory linkage with local government. However, in terms of the proposed provincial liquor legislation, the Western Cape Liquor Bill, all liquor licences lodged with the board will in future be forwarded to the relevant municipality (where the proposed licensed premises is located) for inspection by the public. The municipality will, in terms of provisions of the proposed legislation, be obliged to allow for such inspection, provide copies of the legislation at a cost, comment on zoning issues, obtain input from the ward councillor and forward to the board any documentation lodged with it in connection with the application. The department will not transfer any funds to municipalities, but the fees for copying, etc., will be retained by the municipality as a recovery of cost.
- The unit liaises with local government and addresses meetings arranged by municipalities where liquor regulation is part of the agenda.

7. PROGRAMME 5: ECONOMIC PLANNING

After thirteen years into the democratic dispensation, review after review has indicated that service delivery priorities have not always been as appropriate as citizens would wish. Worse, the reviews also indicate that service delivery has not even been as expeditious as it could be and attribute this to a lack of planning on the part of government.

Government now realises that its goals, including the millennium development goals, cannot be realized within the set timeframes if the planning function in government is not significantly strengthened in its service delivery framework. Accordingly, in the provincial sphere of government, every department with responsibility for economic development has been tasked to manage and provide a full-blown provincial economic planning programme.

The economic planning programme provides for the full planning spectrum and it is designed to deal with each element and phase of the planning or management phase, from planning and policy formulation, to implementation and evaluation.

During the planning phase, it would assist with research and reviews aimed at developing provincial economic policies and strategies. In the implementation phase, the programme's monitoring and evaluation sub-programme would collect data, monitoring and measuring performance, and provide feedback. The feedback would then be used in the evaluation phase, but also to alert managers as to where corrective action is required, to ensure service delivery targets are met and to inform strategy, policy or plan adjustment. In the evaluation phase, typically toward or at the end of implementation, feedback would be used for the next round of strategy planning or policy development.

The overall strategic goals of the programme are:

- to promote integrated economic development planning,
- to improve global competitiveness of local industries, and
- to increase the department's capacity to become an information hub.

The department's Economic Planning programme comprises the following sub-programmes: Policy and Planning, Research and Development, Knowledge Management, and Monitoring and Evaluation.

Specified policies, priorities and strategic objectives

The specified policies, priorities and strategic objectives of this programme adhere and subscribe to, amongst others, the national and provincial policies and guidelines, such as the iKapa Growth and Development Strategy, the Accelerated Shared Growth Initiative of South Africa, the National and Provincial Spatial Development Perspective, the departmental Five-Year Strategic Plan and the MEDS of the Western Cape. It must be noted that the economic development field is dynamic and key national and strategic policy directives that are formulated to stimulate economic growth require provincial departments to implement them within their geographical economic context.

A new programme in the department, it is expected, as its strategic objective, to facilitate and promote integrated economic development planning as well as monitoring and evaluation of economic development policies, strategies and programmes, and provide leadership in economic knowledge generation and management.

Key to policy and strategy is implementation synergy and integration within the department and other spheres of government. To realize the afore-mentioned priorities and strategic objectives, this programme has developed the following sub-programmes and its core objectives are as follows:

Economic policy and planning:

The objective of this unit is to conduct economic policy analysis and facilitate national, provincial and local policy and strategy alignment to create synergy and integration in the implementation of economic interventions of government in the Western Cape. In realizing this objective, this unit will foster and nurture relationships with policy stakeholders, government, civil society, labour, education institutions and business to take part in government's efforts to transform, diversify and sustain economic growth in the Western Cape.

Economic research and development:

The objective of this unit is to conduct and support economic research within the framework of the MEDS, to determine and analyse key economic drivers and sectors, and their ability to create sustained economic growth and sustainable employment opportunities. This unit provides a cohesive and strategically focused research programme for the department.

Knowledge management:

The purpose of this unit is to develop knowledge management to deal with the knowledge revolution which is creating a constant state of restructuring at a global, country, sector and firm level. It is stated that while this creates opportunities for growth and competitiveness in developing economies, it also carries risks for other economies such as that of the Western Cape. The risks relate to the fact that the competitiveness of the Western Cape depends on its ability to access, adapt and utilize knowledge development. Knowledge management is linked to the department's strategic objectives and is intended to achieve specific outcomes, and support information and knowledge management in a way that promotes the strategic objectives of the department.

Monitoring and evaluation:

The purpose of this unit is to implement the departmental results-based monitoring and evaluation system. A departmental monitoring and evaluation framework based on iKapa Elihlumayo will provide a systematic, coordinated and integrated implementation of monitoring and evaluation of interventions undertaken. The framework will set the parameters and identify the linkages between the departmental strategic goals, iKapa Elihlumayo and iKapa GDS strategic objectives, departmental intervention activities and desired outcomes to underpin a shared growth and integrated development trajectory.

As a performance and impact measure, the framework will enhance policy coherence, strategic focus and a results-based approach in the monitoring and evaluation process. The framework will also serve as a device to pursue and facilitate shared dialogue, learning, outcomes and accountability amongst the various programmes of the department spheres of government and strategic partners.

Indicators to measure inputs, outcomes and impact will be developed as part of the monitoring and evaluation framework. The process for the development of indicators for the department linked to the iKapa GDS monitoring and evaluation instrument will be defined within the bounds of the holistic governance features of cooperation, integration and partnership.

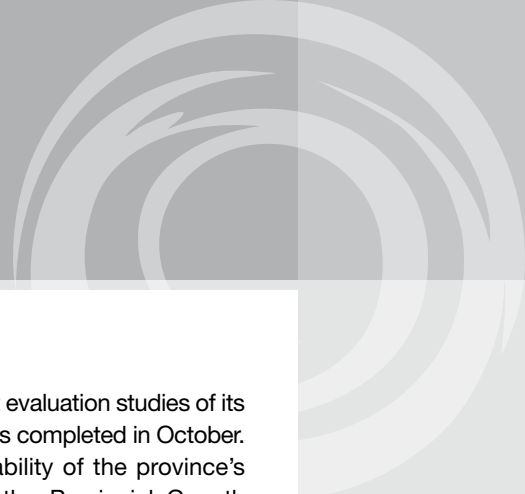
The output of this unit is three-fold:

- a departmental results-based monitoring and evaluation framework with specific indicators to measure the department's interventions, linked to the provincial results-based monitoring and evaluation "ten steps" approach,
- quarterly monitoring of the department's interventions through the implementation of an output-based DOPM data system, and
- undertaking of impact evaluation on key departmental interventions.

Progress analysis

Some of the key outputs of this programme have been performed under the **Directorate: Strategic Coordination**. These functions mainly comprise the strategic alignment of departmental performance against the annual performance plans. The Departmental Operational Performance Management System (DOPMS) is a key tool used to capture the department's progress towards its yearly output targets. The reports generated out of the DOPMS are used as a basis for discussions amongst the departmental units to improve alignment, integration and synergy, as well as a management tool to allow managers to support and manage the interventions within their respective areas of responsibility.

With regard to the implementation of the departmental M&E system, the provincial-wide indicator process will only be finalized within the 2007/2008 financial year, which in turn will inform the implementation of the departmental



planning, monitoring and evaluation system. The department did, however, commission impact evaluation studies of its programmes, and the first phase of an evaluation of the RED Door programme and tourism was completed in October. The unit also initiated an “institutional review“ process in October 2006, to assess the ability of the province’s economic development institutions to deliver on the vision of iKapa Elihlumayo and the Provincial Growth and Development Strategy Green Paper. The IRP concluded an evaluation of the delivery architecture of the key developmental agencies of the province, with recommendations for optimising the current structure. Key recommendations included:

- the strengthening of joint marketing between CTRU and Wesgro,
- the development of a mega-project development capability in the form of Cape Catalyst that would be housed at Wesgro,
- the development of a shared services capability to support the SPV programme, and
- underpinning the recommendations was the issue of scale, and the need to ramp up the resources dedicated to economic development functions.

With regard to research, the fourth round of research within the MEDS has been concluded. In this respect, an oversight committee comprising of eminent national academics has been established to ensure the quality of research undertaken. The MEDS research continued to provide critical information regarding the economic landscape of the province in the following priority areas:

- music industry within the creative sector,
- informal trade within communities,
- spatial translation of the MEDS sectors, and
- 2010 economic opportunities for SMEs.

The MEDS research is an important tool for the department, as this forms the initial point of reference from which all strategies and policies are developed. The MEDS is part of a set of provincial strategies which are being developed simultaneously as a common point of departure for provincial government and will assist in providing a common understanding of the regional economic context. The MEDS provides a broad depiction of the critical factors and the important trends, which affect our economy in its regional, national and global milieu. It also guides and directs provincial involvement and engagement with the private sector.

Analysis of constraints and measures planned to overcome them

The need for the establishment of programme 5 has arisen from decisions taken by the 10x10 Forum, which is driven by national treasury, the dti and the nine provincial economic development departments. In obtaining alignment between the Department of Trade and Industry and its nine provincial counterparts, a resolution was made that all provincial departments of economic development would have an economic policy and planning programme.

The challenge within the Western Cape is that while components of the programme already reside within the department, this function or elements thereof resides within the provincial treasury and the department of the premier. Consequently, a substantial proportion of 2008/2009 will be dedicated towards the establishment and resourcing of the programme, as well as harmonizing the various activities of the different PGWC departments and resolving potential overlap and duplication.

The department currently does not have the resources (human and financial) required to fulfil all the obligations of this programme. This programme will only be partially implemented based on funding received during 2008/2009.

Description of planned quality improvement measures

Amongst other factors, the following quality improvement measures are planned for the programme:

Focus:

The focus of this programme over the MTEF period will be on soliciting funding to equip the programme with skilled personnel and adequate equipment to fulfil the programme's mandate. The bulk of resources currently available to the programme will be focussed on recruiting skilled personnel to implement the programme priority projects.

Shareholder relations/partnerships:

Service level agreements will be entered into with all units in the department. The department will also seek to work closely with all government institutions as well as other organisations linked to the department in an effort to improve services and ensure best practices.

Monitoring and evaluation:

The monitoring and evaluation unit will complete the results-based monitoring and evaluation framework that will promote alignment, integration and synergy in the manner in which the department conducts its own business. The major output of this unit will be output-based monitoring reports and evaluation/impact-based reports.

In terms of the **DOPMS**, a review has been conducted and a gap analysis has been completed on the current state of affairs of DOPMS, and where ideally DOPMS should be if it were to serve the needs of the department. Attempts are currently underway to secure a service provider to assist the department to enable the DOPMS system to play a critical role as a monitoring and evaluation tool.

Furthermore, for effective implementation, monitoring and evaluation of all the interventions identified by the micro-economic development strategy, the department is in the process of finalizing the development of a planning, monitoring and evaluation system which will incorporate a standardized framework for the department in terms of planning, monitoring and evaluation of all projects. This system will include the development of departmental indicators, and matrixes for stakeholder analysis and indicator protocol that will feed into an integrated monitoring and evaluation plan for the department. The department's monitoring and evaluation system includes alignment to the Provincial-wide Monitoring and Evaluation System (PWMES) and the development of high-level transversal indicators.

7.1 SUB-PROGRAMME 5.2: ECONOMIC POLICY AND PLANNING

Specified policies, priorities and strategic objectives

The objective of this unit is to conduct economic policy analysis and facilitate national, provincial and local policy and strategy alignment to create synergy and integration in the implementation of economic interventions of government in the Western Cape.

The policy and planning unit will be responsible for the following priorities:

- oversight, development and support of the policy environment in the different spheres of government,
- coordination of the department policies (internal part of line function),
- technical process support (know how) on policy development,
- cohesion within and across policy implementation of line functions, and
- broadening participation in policy making and strategy development to all social partners, key players in the industry, host communities and the citizenry in general.

Policy is a deliberate plan of action to guide decisions and achieve rational outcomes. In proactively engaging in the policy environment within the different spheres of government, the policy and planning unit will proactively identify trends and developments which may impact on the department's own strategies, and in turn contribute towards the broader policy context as it pertains to economic development issues. In others words, provincial economic development policies will influence and be influenced by the wider policy environment.

Another key feature of this unit is providing support and coordination of policy formulation within the department. This will develop capacity in-house to ensure the various programmes develop robust policies and strategies which take accommodate the wider policy milieu, and it ensures alignment within the context of the MEDS, providing greater coordination and collaboration.

Government is not the only stakeholder in policy formulation or in the realization of policy implementation, as the direction of interventions, particularly economic development interventions, impact on private sector, civil society and labour. It is therefore important that the unit engages with social stakeholders in the development of policy and their support in the implementation of policy.

As this is a new unit, the focus of this programme in 2008/2009 is to establish institutional arrangements to secure capacity and resources that will make it possible to deliver in the 2009/2010 financial year.

Strategic objective		Ensure effective governance and institutional strengthening							
		2007/2008 (estimated)	2008/2009 (target)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2009/2010 (target)	2010/2011 (target)
Measurable objective	Coordination and the provision of the departmental input into provincial and national policy imperatives .								
Performance measure or indicator	Number of departmental position papers	*	2				2		

7.2 SUB-PROGRAMME 5.3: ECONOMIC RESEARCH AND DEVELOPMENT

Specified policies, priorities and strategic objectives

The key objective of this unit is to identify key policy levers and projects via the MEDS research to inform the work of the department. The research unit will be responsible for:

- research support for the development and ongoing review of the MEDS,
- managing all matters related to the chief economist and any external researchers contracted on an ad hoc basis,
- continuous environmental scans of ED&T at global, international and regional levels,
- conducting and supporting in-house research,
- managing of the MEDS process and facilitating coordination between the department and the Oversight Committee, and
- supporting the development of policy position papers.

The MEDS is one of the pillars of the Ikapa Strategy and seeks to stimulate economic development and transformation in the Western Cape. The MEDS provides a broad depiction of the critical factors and the important trends, which affect our economy in its regional, national and global milieu. It also guides and directs provincial involvement and engagement with the stakeholders within the economy.

One of the key outputs of the unit is the management of the MEDS. The MEDS oversees a research process whereby economic sectors and activities are identified which have the potential to secure significant gains in both output and in equity, with equity defined as employment gains and enhanced possibilities for new company formation, particularly for black and female owned companies. In doing so, the MEDS research process gives an analysis of the sectors' current status quo framed within an international and national context, the constraints and opportunities that confront the sectors and activities, and policies that could be effected by the provincial government that could help overcome the constraints and take advantage of the opportunities presented.

The research is conducted on an annual basis and has a systematic, set process of implementation, deliberately conducted at arm's length from the department. The MEDS is supervised by an Oversight Committee (OC) which is comprised of academics who are responsible for the quality and integrity of the research. The studies undertaken by the MEDS research process is determined by trends within the wider economy, inputs made by the social partners through the Provincial Development Council and the needs of the department.

The unit provides the overall administrative support to the MEDS research process, but will also be responsible for coordination between the MEDS OC and the departmental management. This will allow for a virtuous cycle of feedback of experience and implementation learning back into the MEDS research and enable the OC to identify additional gaps of information which prevent the effective development of MEDS interventions and initiatives.

Over and above the MEDS research, the unit will also provide a key supportive and management role in emerging research needs of the department. This includes the provision of information and research for the development of policy and position papers, and proactively keep the department and the province informed of relevant economic trends.

In addition, the unit will undertake the supervision of smaller research studies. Through the coordination and supervision of this research, the unit will enhance the quality of outputs, improve coordination among programmes, prevent duplication, and ensure that the research findings are disseminated among all the relevant internal, and if relevant, external stakeholders.

Strategic objective		Ensure effective governance and institutional strengthening							
Measurable objective	Performance measure or indicator	2007/2008 (estimated)	2008/2009 (target)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2009/2010 (target)	2010/2011 (target)
MEDS Research Round 5	Number of MEDS Round 5 research papers completed	Completed MEDS (research outcomes of Round 4) Commencement of 5th Round of the MEDS with identification and finalization of sectors / areas of research. Advertisements and appointment of Oversight Committee. Advertisements for researchers for the 5th round.	Completed MEDS (Round 5 studies)	Appointment of researchers General coordination of 5th Round of the MEDS – Completion of researcher contracts and commencement of research in identified sectors and themes	Submission of draft MEDS papers Drafting of Synthesis Report – 5th round.	Completion of MEDS papers Finalization of Synthesis Report – 5th round Coordination of 5th Round of the MEDS – includes completion of Synthesis Report (printing) and public hearings	Communication of 5th Round of the MEDS. Initiation of 6th Round of the MEDS	Updated MEDS Development and implementation of MEDS 10-year implementation plan	Updated MEDS Implementation by relevant units of proposals from MEDS research
	Number of sector strategies developed		5	0	2	1	2		
Provision of in-house research	Number of in-house research projects conducted		3	0		1	2	4	4
Environmental scan of ED&T at global, international and regional levels	Number of position papers on economic development and tourism matters published		2			1	1	4	4

7.3 SUB-PROGRAMME 5.4: KNOWLEDGE MANAGEMENT

Specified policies, priorities and strategic objectives

The purpose of this unit is to access, store, and disseminate information on the province's economy, as well as information required for the efficient and effective management of the department. This unit will, amongst other matters be responsible for the following priorities:

- management of the DOPMS,
- provision of DOPMS within the department,
- facilitation of the DOPMS discussion meetings, and
- management of the resource centre.

The unit will focus on building and strengthening platforms and tools in which the knowledge developed and built up within the department is captured and distributed internally and externally to stakeholders. One of the main platforms for the management of knowledge within the department is DOPMS.

The DOPMS is an IT database system which is used to capture all the projects and interventions undertaken by the department. Within the system, these projects and initiatives are linked to the overall policies, strategies, and budget of the MEDS and are updated as and when progress on the interventions are made. During 2007/2008, the system was revised and upgraded in accordance with the recommendations of an investigation into the purposes and uses of the system, with the specific objective of making it a streamlined, integrated, single reporting tool, further aligned with the department's strategic plan, the APP and quarterly deliverables, and performance management monitoring. During 2008/2009, the new system will be further refined and developed, together with the necessary training of users, so that the desired outcomes will be fully realized.

The department has established the need for a shared drive/network to improve access to documentation for internal use and communication. The unit has established that the current file server does not have the capacity to carry a shared drive/network, which requires a capacity of at least 3GB to be used as an initial platform. This would ensure that all documentation is readily accessible to personnel within the department, improving information flow, enhancing efficiency and coordination, strengthening efficiency and reducing costs.

The resource centre delivers a media monitoring service and provides access to information in various publications and on the Internet. The scale of these services should be extended to include more business-focussed material and research material to add more value to the knowledge available to the clients. The service will be available to both internal and external clientele. Over and above this, the resource centre provides a base for those personnel who do not have access to a computer, thereby ensuring that staff is not disempowered.

Strategic objective		Ensure effective governance and institutional strengthening							
		2007/2008 (estimated)	2008/2009 (target)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2009/2010 (target)	2010/2011 (target)
Measurable objective	Performance measure or indicator								
Management and maintenance of DOPMS systems	Maintenance of knowledge management systems, i.e. resource centre and DOPMS systems		DOPMS Updated	DOPMS Updated	DOPMS Updated	DOPMS Updated	DOPMS Updated	DOPMS Updated	DOPMS Updated
Provide training on DOPMS	Number of DOPMS training sessions		30	5	10	10	5	30	30
Departmental information sharing to enhance alignment, synergy and integration	Number of DOPMS discussion sessions		20	5	5	5	5	20	20
Provision of access to relevant information to the department through the resource centre	Number of people given access to the information in the resource centre		400	50	50	150	150	1000	1200

7.4 SUB-PROGRAMME 5.5: MONITORING AND EVALUATION

Specified policies, priorities and strategic objectives

In 2004 the National Cabinet initiated plans for a monitoring and evaluation system for government, and subsequently, the Presidency developed the Government-wide Monitoring and Evaluation Framework. Government-wide monitoring and evaluation seeks to entrench the notion of accountable governance, performance management and importance of monitoring and evaluation in the form of target and impact driven service delivery. The Provincial Government of the Western Cape followed suit with the establishment of provincial-wide monitoring and evaluation. All departments were encouraged to establish monitoring and evaluation units.

The departmental monitoring and evaluation framework seeks to provide a systematic, coordinated and integrated monitoring and evaluation of departmental strategic interventions. The first step to achieving these goals is to design monitoring and evaluation indicators that will be used as a yardstick to measure the success or failure, and over the medium term, the impact or outcome of departmental economic interventions. Indicators to measure inputs, outcomes and impact are developed based on the Provincial Indicator Framework.

The purpose of this unit is to develop departmental monitoring and evaluation systems that will be aligned to the PGDS, the provincial programme of action, the departmental strategic plans and the APPs. The monitoring and evaluation unit will produce an independent monitoring and evaluation of the departmental strategic plan that will indicate how successful the strategy is being implemented to:

- the impact of the strategy on the regional spatial, economic issues,
- development trajectory,
- progress being made to achieve the objectives of the strategy, and
- identified areas where further action is needed.

The unit will further be responsible for:

Facilitation of the development of the departmental results-based monitoring and evaluation indicators:

A point of departure for the design of the results based monitoring and evaluation indicators will be the extraction of all the economic indicators from the Provincial Indicator Framework. Thereafter, those economic indicators will be analyzed to verify their validity and applicability to the department. Once this phase is complete, draft departmental monitoring and evaluation indicators will be developed and circulated within the department.

Coordinating M&E interventions within the department:

This unit will also focus on developing monitoring and evaluation capacity within the department. All departmental units will be compelled to avail project managers for monitoring and evaluation training. Training interventions will be planned in accordance with the identified need for monitoring and evaluation within the department.

Establishment of the departmental Monitoring and Evaluation Focus Group to provide technical support to all line function units in all monitoring and evaluation:

As part of efforts to strengthen monitoring and evaluation within the department, this unit will establish a departmental Monitoring and Evaluation Focus Group. This focus group will be responsible for the design and implementation of the departmental results-based monitoring and evaluation. The focus group will also assess the institutional readiness for monitoring and evaluation. Upon the completion of the assessment, the focus group will propose interventions that should be put in place to enhance monitoring and evaluation in the department. The focus group will be the reference point on how departmental projects should be monitored and evaluated.

Strategic objective		Ensure effective governance and institutional strengthening								
Measurable objective	Performance measure or indicator	2007/2008 (estimated)	2008/2009 (target)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2009/2010 (target)	2010/2011 (target)	
Facilitate the development of the departmental results- based monitoring and evaluation indicators	Number of departmental results- based monitoring and evaluation framework workshops facilitated	1	4	1	1	1	1	4	4	
Facilitate the impact evaluation of departmental projects	Number of facilitated impact evaluation projects		1		1			4	4	
Monitoring of departmental programmes/projects	Number of departmental monitoring reports		5	1	1	2	1	5	5	

7.5 RECONCILIATION OF BUDGET WITH PLAN (R'000)

Sub-programme	Year - 2 2005/2006 (actual)	Year - 1 2006/2007 (actual)	Base year 2007/2008 (estimate)	Year 1 2008/2009 (budget)	Year 2 2009/2010 (MTEF projection)	Year 3 2010/2011 (MTEF projection)
Management			351	999	1 054	1 103
Policy and Planning			1	1	1	1
Research and Development	1 600	2 110	2 570	3 290	3 462	3 506
Knowledge Management			1	388	612	633
Monitoring and Evaluation			340	776	813	844
Total programme	1 600	2 110	3 263	5 454	5 942	6 087



8. PROGRAMME 6: TOURISM

The vision of the Western Cape Tourism Development Framework (WCTDF) is one of a shared, sustainable, growing, labour-absorbing, and globally competitive tourism sector in the Western Cape. The purpose of this programme is to deliver on this vision as part of the millennium goals for 2015, and in doing so, to both grow and transform the tourism industry in the Western Cape for the benefit of all citizens.

The programme is structured as follows:

- Management: Tourism,
- Tourism Growth,
- Tourism Participation, and
- Destination Marketing Organisation (DMO).

To impact on the tourism industry in the Western Cape in a sustainable manner, means both growth of and participation in the industry. Public sector interventions in the tourism industry are effected through the activities of development, marketing and regulation. The Provincial Government of the Western Cape has outsourced the implementation of its marketing activities to the DMO. Therefore, the two sub-programmes in the department has growth on the one hand, comprising growth, planning, skills development and competitiveness, and participation on the other hand, comprising participation, fair business environment and social and environmental issues.

Specified policies, priorities and strategic objectives

Both ASGISA and the MEDS have identified tourism as a key priority sector for accelerated growth and BBBEE. The MEDS Synthesis Report of July 2006 confirms that the Western Cape is often viewed as South Africa's most developed tourism region, with GRP at 10%. Therefore, tourism is a sector with the potential to create many more jobs and alleviate poverty.

Positive tourism growth as well as the added 2010 tourism growth and economic potential, clearly show that we have an important role to ensure:

- that the visitor experience is a good one, as positive word of mouth advertising is critical,
- that we achieve long-term benefits on the marketing spend,
- that we have a unified destination brand and consolidated marketing efforts in order to ensure the success of both established tourism businesses as well as emerging tourism businesses,
- that we take into consideration the need to stream visitors from Cape Town to other municipalities in the Western Cape,
- that new business is spread as widely as possible,
- that our communities benefit in terms of environment enhancement and participation in the tourism experience, and
- that we foster cooperative governance and funding initiatives to ensure cost and time efficient use of our collective efforts and resources.

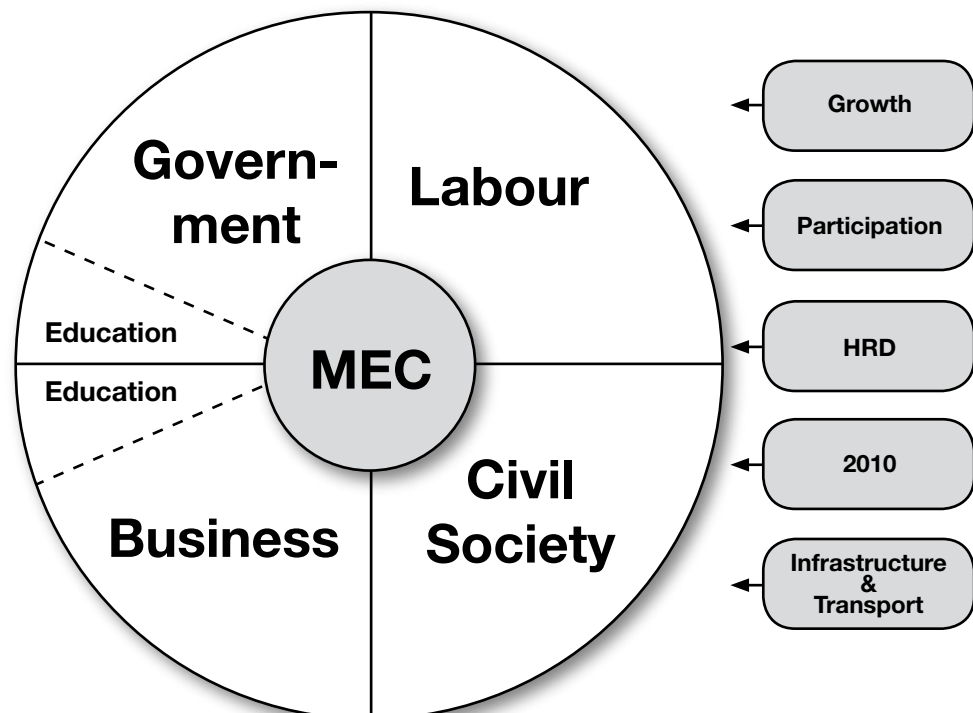
In our plans to meet the national and provincial priorities of accelerated and shared growth for our Province, the following objectives are key priorities:

- The development and implementation of targeted and cost-effective programmes by the **Destination**

Marketing Organisation. This will include world-class tourism development and marketing strategies for long-haul and medium-haul destinations in general and for Cape Town and the Western Cape in particular, and a world-class tourism development and marketing strategy for making Cape Town and the Western Cape the most desired destination for visitors from the rest of South Africa and SADC.

- The development of a **tourism BEE transformation strategy** and implementation plan that promotes representation and inclusiveness in the areas of control, ownership, management and equity, drives transformation within large tourism organisations, uses the tourism BEE charter and score card to effect transformation of established tourism businesses, and promotes tourism economic empowerment with emphasis on the following designated groups: blacks, women, the youth, rural people, disabled people and workers.
- The development of a vigorous **tourism human resource development** programme to develop an appropriately skilled and highly productive workforce. This will include the implementation of skills development programmes and ensuring that employers maximize opportunities for employee development.
- The development of tourism sites, attractions, routes and infrastructure which is guided by the reworked version of the **Integrated Tourism Development Framework (ITDF)** and is incorporated as the drill down information supporting the Western Cape Tourism Development Framework.
- Upscaling the **tourism tiered support system** programme by intensifying the depth and breadth of our participatory interventions in enterprise development that addresses the needs of the full spectrum of entrepreneurs. These interventions will also promote local tourism development and will be linked to other departmental and provincial intervention strategies such as the Plek Plan.

FIGURE 8.1: mechanisms that facilitate and enhance our priority interventions



The Western Cape Tourism Development Partnership (WCTDP):

- is the formally constituted cooperative governance body, as derived from the Western Cape's Provincial Development Council's (PDC) tourism task team,
- acts collectively to develop the detailed policies, strategies and interventions for tourism,
- ensures that the partners act in an aligned manner to achieve cost effective use of our collective resources,
- meets on a quarterly basis, per each of the delegations being government, business, labour, civil society and education, leading up to a quarterly plenary session of the whole WCTDP, chaired by the MEC, and
- has five subcommittees that are made up of nominated representatives from each delegation that meet at least twice within a quarter to deal with specific agenda items.

The WCTDF is the destination vision and strategy for tourism in the Western Cape, and is the sector strategy for tourism that forms part of the department's micro-economic development strategy. The WCTDF ensures joint planning, budgeting and implementation, firstly, between the three spheres of government, and, secondly, between all the social partners. The WCTDF has defined targets and outcomes that need to be achieved over a ten-year timeframe. It is a living and dynamic document, with research constantly being added to the evidence base and analysis being adjusted as circumstances change. There will be a major review on a five-year basis.

Progress analysis

Africa receives just under 5% of global tourist arrivals and has shown in the past three years that continental tourism growth is double that of the world average. Of the 36,7 million tourist arrivals to sub-Saharan Africa in 2005, almost 20% went to South Africa. South Africa recorded a 10,3% increase in international arrivals, from 6,7 million in 2004 to 7,4 million in 2005. Also, there was a 23,5% increase in Total Foreign Direct Spend (TDFS) from R43,2 billion in 2004 to R53,4 billion in 2005.

Trends show that Cape Town and the Western Cape are on the road to beating the global growth rate in international arrivals. There has been even greater growth in the traditionally low months between April and September. The Western Cape achieved 14% growth in international arrivals between April and September 2006 compared to the same period in 2005, and the growth trend is expected to continue. For 2006, the Western Cape received 1,6 million international visitors and 3 million domestic visitors. Also, the Western Cape recorded a R14,9 billion foreign spend and a R1,9 million domestic spend (total: R16,8 billion).

The WCTDF, the WCTDP and the work of the Tourism Chief Directorate has been updated and informed by:

- the ITDF, 2001,
- the three tourism research papers undertaken as part of the MEDS for the Western Cape – Research Papers, 2005, Volume B,
- the executive summary of the three tourism research papers, as extracted from the MEDS Synthesis Report, July 2006,
- the MEDS Synthesis Report, July 2006, tourism specific extracts, comments from the Oversight Committee,
- the MEDS tourism implementation plan, dated 06 February 2006, input by the department,
- a comprehensive zero-based strategic planning exercise for the tourism sector conducted by the department, and

- the engagement that took place with the public sector and the comparative analysis of existing provincial, metropolitan and district tourism strategies.

During 2007/2008, the Tourism Growth Directorate continued with its support for plans and programmes that are aligned to the WCTDF . The WCTDF has been fully operationalized, with the work of the five sub-committees on growth, participation, HRD, 2010, transport, infrastructure and regulation underway. The ITDF review process which informs the new and further development of sites, attractions, routes and infrastructure was completed. Intensive stakeholder engagements were held with the City of Cape Town as well as each of the district municipalities. While the ITDF review process focused on product development and identification of tourism potential within each of the regions of the Western Cape, it also affords a more integrated approach to dealing with tourism as a whole. As part of the ITDF implementation plan, the eastern gateway was successfully developed and implemented by the department in partnership with CTRU and Casidra. The eastern gateway is located at the Storms River Bridge as it serves as an entry point into the province by distributing information on what the province has to offer. Distribution points have been allocated along this route which allows for employment of contract workers and students to distribute brochures and pamphlets. The entrepreneurial research study of the Tourism Blue Chip Investment Portfolio was completed. This study identifies business opportunities for entrepreneurs and will form part of the bigger Tourism Blue Chip Investment Portfolio. The Tourism Chief Directorate continued with its outsourcing of the Tourism Victim Support Programme to respond to tourists in distress, as well as the establishment of a quality assurance inspectorate to deal with destination competitiveness.

The Tourism Participation Directorate through its tourism enterprise development has expanded its already successful tourism tiered support system to accommodate additional entrepreneurs. The training of historically disadvantaged individuals to become tourist guides, and a tourist guide learnership programme were conducted in order to promote transformation. In addition, workshops as part of the Tourist Guide Ambassadorial Project to train tourist guides in the basics of economic development and investment opportunities were held in the province.

Analysis of constraints and measures planned to overcome them

Tourism is a broad-based industry and its success is dependent on partnerships and collaborations with other government departments, private sector and non-governmental sectors. In order for this to happen, one needs to engage in consultative processes, which at times take longer than envisaged and thus have an impact on performance and delivery.

Most of the strategic frameworks that are developed by the department are implemented at local level, and therefore impose added responsibility on local government, which in most cases, result in stagnation due to structural and financial problems.

Some of the responsibilities that will lead to infrastructure support, reside in other departments, for example, the implementation of tourism signage in terms of planning phases, manufacturing and erection of signs is the responsibility of the transport department. Although there is commitment on their part in terms of the implementation of the Road Signage Framework, it is not given the same priority as it is given by the Tourism Chief Directorate and the department as a whole.

The WCTDF is the mechanism to ensure that all the partners act in an aligned manner to achieve cost effective use of our collective resources.

The WCTDF contains the ITDF, which focuses on new and further development of tourism sites, attractions, routes and infrastructure by:

- developing and managing interventions that will ensure geographic spread,
- facilitating and coordinating regional tourism growth initiatives in partnership with local, district and national government departments and the private sector,

- ensuring that products and experiences based on culture, heritage and the natural environment are designed and established to match the demand for new and refined products in these areas, and
- ensuring community awareness, participation and development.

The ITDF process includes alignment with the department's local economic development strategy development process within the municipalities and specific consideration of the tourism specific project identification arising from the local government MTEC engagements.

The key constraint for new entrants into tourism remains market access. Success in this area can only be achieved through strong partnerships and networking. Continued partnerships with the private sector are vigorously pursued.

Lack of access to funding sources are also a major impediment, and the department's future interventions will be geared to not only looking for other sources of income, but in harnessing these sources into a Tourism Development Fund from which funds can be disbursed according to the WCTDF . This will be guided by the ITDF component.

As air access remains a constraint, the department will continue to seek an increase in the number of direct international flights to Cape Town. The permanent Tourism Growth sub-committee of the WCTDP plays a key role in driving this initiative. This will include discussion with airlines, dealing with all the consequential infrastructure requirements and marketing support needed to make this possible and profitable, and intensive engagements with national counterparts.

We see the problem of seasonal spread as primarily a growth issue, and the Tourism Growth sub-committee of the WCTDP will be constantly developing creative ideas to shorten and, possibly eliminate, the low season. The department will provide anchor funding and expects to leverage funds from the private sector.

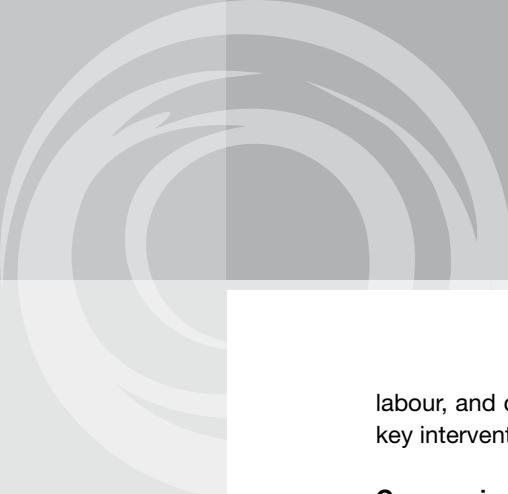
The Western Cape is most vulnerable to climate change which would have resultant negative impacts on the poor. Tourism has been identified as one of the key priority sectors for growth and development. Climate change is a threat to growth and development. This threat and its potential impact must be understood with regard to the tourism sector in the Western Cape. The Tourism Chief Directorate will establish the current reality around the issue of climate change as it relates to global tourism, and translate this into direct, practical areas of sustainable and responsible tourism development for the province. This will be aligned to the growth and development mandate and goals as set out in the WCTDF and be considered within the context of sustainable tourism across the "quadruple bottom line" of environmental, social, economic and climate responsiveness.

A further area of constraint is the extent to which the broad public understands its role in tourism. Targeted partnership programmes with the private sector aimed mainly at schools, which are the tourists of the future, will look at subsidizing social tourism programmes in off-peak periods and especially in tourism month, which takes place in September each year.

Description of planned quality improvement measures

Amongst other factors, the following quality improvement measures are planned:

- **Focus:** The bulk of the available resources will be focused on the implementation of key projects through the work of the WCTDP. Main budgetary items are the marketing of the destination, the ITDF and the tourism tiered support system
- **Training and developing existing staff:** Capacitate new appointments made in the Tourism Chief Directorate to ensure quality and effectiveness of delivery.
- **Stakeholder relationships/partnerships:** Align the work of different role-players, for example, national, provincial and local government, institutions, parastatals, business organisations, organized



labour, and communities toward a common vision, strategy and agreed plans for the implementation of key interventions through the WCTDP and as they arise from the WCTDF.

- **Communication with stakeholders within any particular industry:** Communicate effectively the goals and the content of the work of the Tourism Chief Directorate in order to manage the expectations of stakeholders and to enable officials to effectively execute their work commitments.
- **Implementing monitoring and evaluation, as directed by the department's planning, monitoring and evaluation system, to effectively monitor and evaluate the chief directorate's interventions:** Implement a system where the work of the Tourism Chief Directorate is monitored and evaluated.

8.1 SUB-PROGRAMME 6.2: TOURISM GROWTH

Specified policies, priorities and strategic objectives

ASGISA and the MEDS have cited tourism as a priority sector for economic growth primarily because there is considerable potential for economic equity and transformation to be achieved through growth in this sector. This is largely because there are “low-barriers-to-entry” enterprise opportunities as well as multilevel skills set requirements in the industry, allowing:

- emerging entrepreneurs entry into the industry in sub sectors where minimal capital is required for entry,
- employment opportunities for low/unskilled individuals’ entry into the industry in areas where a minimal/general skills set is required, and
- economic opportunities across the entire province.

However, these economic opportunities are not currently in existence all year round and are concentrated in the summer months.

The challenge for tourism growth therefore is:

- On an ongoing basis, to ensure that the growth in the tourism industry meets the requirements of all the stakeholders of the industry, namely, civil society, labour, business, education and all spheres of government through the platform created by the WCTDP, and feeding all of these strategic inputs, as well as that from research conducted, into the WCTDF.
- In the medium term, to ensure growth in areas of the tourism industry that would offer:
 - a greater labour absorption propensity of low/unskilled staff as well as semi and skilled staff, and implement the interventions required to provide those required skills amongst the previously disadvantaged individuals primarily,
 - a multitude of entrepreneurial opportunities with relatively low barriers to entry as well as opportunities requiring substantial capital investment with the understanding that the sub-programme: Tourism Participation will provide facilitation for use by previously disadvantaged individuals primarily,
 - economic opportunities across the entire province, and
 - economic activity all year round.
- Skills development interventions, and determining what those interventions would need to be, such as:
 - infrastructure investment and investment support interventions, and determining what those interventions would need to be, and
 - marketing interventions which would inform and raise awareness of tourism attractions that have been developed across the entire province and are suitable for all year round enjoyment.
- In the short term, to defend the current market share of the Western Cape in the global tourism industry by ensuring the global competitiveness of the destination, and in the medium- to long term to identify future competitiveness variables and criteria that would guarantee growth of the Western Cape’s market share in the global tourism industry.

Tourism Growth has the following main objectives:

To effectively provide integrated planning in terms of provincial government intervening in the tourism industry in the Western Cape:

This sub-programme is responsible for:

- convening and supporting the Western Cape Tourism Development Partnership which consists of all social partners and other interested parties to develop a comprehensive, provincial tourism development framework,
- broadening participation in policy making and strategy development to all social partners, key players in the industry, host communities and the citizenry in general,
- compiling and publishing an annually updated comprehensive, provincial WCTDF,
- scanning the global and domestic tourism environment for relevant developments,
- articulating what research needs to be done,
- shaping appropriate legislation, and
- monitoring and evaluating all tourism-enhancing projects undertaken by the provincial government and its social partners.

To facilitate growth of the tourism industry:

Growth will be measured in terms of the following indicators: an increase in the number of visitors to the Western Cape, particularly in the currently defined low season, an increase in the average length of stay per visitor, an increase in the average yield/spend per visitor, and an increase in the proportion of visitors who are travelling for business purposes.

This sub-programme will be contributing to the following:

- increasing employment,
- recruiting investment,
- marketing and promoting the destination,
- developing tourism sites, attractions, routes and infrastructure within the ITDF, including the equitable geographical distribution of infrastructure, products and tourists, and facilitating the development of more tourism-enhancing infrastructure,
- developing new sub sectors, niche markets and products,
- developing and expanding existing sub sectors, niche markets and products,
- playing a leading role in all initiatives to persuade more foreign airlines to schedule more direct flights to Cape Town and to ensure that we have the infrastructure to deal with the consequential increased volumes,
- coordinating all efforts to reduce the impact of seasonality on the industry, and
- shaping and managing the role of government as an entrepreneur.

To actively promote the competitiveness of the destination:

This sub-programme will be contributing to the following:

- promoting the safety and security of tourists in the destination,
- promoting the competitiveness of the destination, including the general image enhancement of the destination as well as promoting service excellence,
- provisioning of immediate and easy access to a wide variety of information about the destination on a continuous basis,
- assuring quality of the tourism experience, including implementation of a monitoring and evaluation framework for the destination, and
- implementing the Tourism Road Signage Framework.

To develop and implement projects arising from the Tourism Skills Development Strategy:

Human resource development remains a key part of tourism development. This sub-programme is responsible for:

- developing and implementing a Tourism Skills Development Strategy to ensure an appropriately skilled and highly productive workforce,
- researching and analyzing skills supply and demand,
- ensuring that the appropriate formal skills development opportunities exist in the Western Cape and that these are taken up fully,
- ensuring that employers maximize opportunities for employee development, and
- developing and implementing selected skills development programmes where the education sector or industry are not the appropriate provider.

Measurable objective	Performance measure or indicator	2007/2008 Base Year	2008/2009 Year 1	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2009/2010 Year 2	2010/2011 Year 3
Developing an M&E system at chief directorate level	Number of recommendations implemented	Develop M&E system in line with departmental M&E system	Refine M&E system in line with departmental M&E system and pilot Implementation	Refine M&E system	Refine M&E system	Implement M&E system	Implement M&E system	Implement and maintain M&E system	Implement and maintain M&E system
				Implementation of 1 pilot					
To ensure good governance by the DMO	Number of assessment against business plan	Management of memorandum of agreement Annual review and evaluation	Management of memorandum of agreement Annual review and evaluation	Assessment for the 4th Quarter 2007/2008 completed.	Assessment for the 1st Quarter 2008/2009 completed.	Assessment for the 2nd Quarter 2008/2009 completed.	Assessment for the 3rd Quarter 2008/2009 completed	Management of memorandum of agreement Annual review and evaluation	Management of memorandum agreement Annual review and evaluation
				2	3			4	6
Development and implementation of the 2010 tourism launchpad	Number of projects identified Number of meetings attended	Participation in various 2010 workstreams and the tourism 2010 sub-committee	8	2	2	2	2		

Measurable objective	Performance measure or indicator	2007/2008 Base Year	2008/2009 Year 1	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2009/2010 Year 2	2010/2011 Year 3
Maintenance and support of the WCTDP	Number of plenary sessions	Operationalization of WCTDP	3	1	1		1	3	3
	Number of government delegation meetings	Operationalization of the government delegation	2	1			1		
	Number of x 5 sub-committee meetings		20	5	5	5			
	Number of projects/recommendations implemented per subcommittee		5		3	2	3		3
Updated WCTDF and ITDF	Annually updated WCTDF	Approval of draft WCTDF by all stakeholders	Updated				Updated WCTDF	Ongoing annual update of the WCTDF	Ongoing Annual Update of the WCTDF
	Annual update ITDF	Approval of ITDF by all stakeholders	Updated			Updated ITDF		Ongoing annual update of the ITDF	Ongoing Annual Update of the ITDF
Implement network of Tourism Development Agents (TDAs) to build capacity at local level	Number of programmes implemented by the TDAs at local district level in pilot regions	Draft framework for implementation of TDAs	2		1			3	4
Conduct necessary tourism research/position papers	Number of research papers/position papers commissioned	Research conducted on 2010	2	1		1		3	4

Measurable objective	Performance measure or indicator	2007/2008 Base Year	2008/2009 Year 1	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2009/2010 Year 2	2010/2011 Year 3
Staging of the Provincial Tourism Destination Conference	Conference held in September 2008	ADW workshop held in September 2007	Conference held in September 2008			1			
Implementation of ITDF projects in key tourism development areas	Number of ITDF projects conceptualized as per revised ITDF	Appointment of service provider and review work conducted	4		2	2			
	Number of new ITDF projects implemented as per revised ITDF	2	2			1	1	Implementation of identified 2 projects as per the revised ITDF	Ongoing implementation, monitoring and evaluation of 2 projects
Implementation of Cape 365	Number of prioritized recommendations coordinated and implemented	Linking of Cape 365 to the WCTDP and establishment of the Cape 365 task team of the growth subcommittee	2		1	1		Continued coordination and implementation of prioritized recommendations	Ongoing implementation and monitoring. Review of progress
	Number of air access initiatives	Finalization of Africa to Western Cape Business Study	Business case to improve Air Access to CTIA		Finalization of Business case	Implementation of 1 key deliverable			

Measurable objective	Performance measure or indicator	2007/2008 Base Year	2008/2009 Year 1	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2009/2010 Year 2	2010/2011 Year 3
Development of a comprehensive tourism blue chip investment portfolio for the Western Cape	Investment Recruitment Framework and Tourism Blue Chip Investment Portfolio	Set up a Recruitment Investment Forum comprising of WESGRO, CTRU and other stakeholders	Investment Recruitment Framework developed and portfolio compiled				Western Cape Tourism Blue Chip Investment Portfolio completed	Sourcing and packaging of investment opportunities for promotion to possible investors through the dti and Wesgro	Continued sourcing, packaging and promotion of opportunities to investors and overseeing investments in development
	Number of big and small Investment opportunities Identified		5 investment opportunities identified and packaged				5		
	Implementation of tourism safety and support programme	Provide strategic direction to the tourism safety and support programme's	Review Tourism Safety and Support Strategy			Implement refined Tourism Safety and Support Strategy programme		Implementation of Tourism Safety and Support Strategy	Implementation of Tourism Safety and Support Strategy
Oversee and promote effective tourism safety and support in the Western Cape	Number of regional/local coordinators appointed		4			4			6
	Number of information dissemination workshops held		6	1	1	2	2	8	10
	Number of establishments where promotional material is disseminated		100	25	25	25	25	200	300

Measurable objective	Performance measure or indicator	2007/2008 Base Year	2008/2009 Year 1	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2009/2010 Year 2	2010/2011 Year 3
Development and promotion of strategic quality assurance programme for Western Cape	Effective quality assurance programme for the Western Cape	Development of Strategic Quality Assurance Strategy and identify projects	Redefine strategic framework for the quality assurance programme		Implement Quality Assurance Strategy and implementation plan			Implementation of Quality Assurance Strategy	Review of Quality Assurance Strategy
	Number of assessors trained		3	3				3	3
	Number of major icons assessed		2			2		2	2
Provision of 24/7 tourist access to information service	Number of establishments assessed		300		150	150		700	900
	Establishment of a 24/7 tourist access to information capability	Research and develop 24/7 tourism access to information capability	Workshop recommendation with stakeholders and implement work shopped recommendation		Implement recommendation			Implementation of 24/7 tourism access to information capability	Implementation, monitor and evaluate 24/7 tourism access to information capability
	Number of tourists accessing 24/7 hotline		100				100	300	300
Oversee and promote effective implementation of tourism road signage	Number of training sessions held	Implementation of tourism road signage projects	4		1	2	1	6	6
	Number of projects implemented		1 tourism road signage projects implemented				1	2	2

Measurable objective	Performance measure or indicator	2007/2008 Base Year	2008/2009 Year 1	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2009/2010 Year 2	2010/2011 Year 3
Refinement of the Tourism HRD Strategy and implementation of Tourism HRD programme as per the HRD Strategy	A fully implementable HRD strategy	Refined HRD strategy and implementation in consultation with stakeholders	An HRD Strategy for the Western Cape Tourism Industry that is supported by all stakeholders				Refinement and Implementation of HRD Strategy	Reviewed and updated HRD Strategy	Monitor and evaluation of HRD Strategy
	Number of skills programmes conceptualized	Tourism skills development implementation plan. Actual	3 skills programmes conceptualised		3			2	1
	Number of skills programmes piloted	implementation of programmes in two pilot regions	3				2	1	5
	Number of bursary programmes		3	3					
	Number of bursary beneficiaries (CPU)	11 beneficiaries	10	10					
	Number of beneficiaries (South Cape College)	13 beneficiaries	10	10					
	Number of beneficiaries (Breedekloof)	4 beneficiaries	4	4					

8.2 SUB-PROGRAMME 6.3: TOURISM PARTICIPATION

Specified policies, priorities and strategic objectives

The vision of the WCTDF is one of a shared vision, namely that of a sustainable, growing, labour-absorbing and globally competitive tourism sector. In doing so, the transformation of the tourism sector in the Western Cape for the benefit of all citizens is essential.

In support of this initiative, various legislation and policies, such as the PGDS, iKapa Eluhlumayo, ASGISA, and the MEDS, identifies tourism as a key priority. The BBBEE Act is imperative in all the key economic sectors. The national Department of Environmental Affairs and Tourism established the Tourism Empowerment Council of South Africa to oversee the implementation of the tourism BEE scorecard and charter, including the development of provincial BBBEE strategies to effect transformation imperatives. Through the work of the WCTDPP and the participation sub-committee, a key priority will be the development and implementation of the provincial tourism BBBEE strategy and implementation plan. The Tourism Participation sub-programme is entrenched within the key principles of enterprise development, economic empowerment, local economic development, regulatory matters and social and environmental issues.

Tourism Participation has the following main objectives:

To promote and ensure effective engagement with regard to participation, enterprise development and local economic development:

Participation will ensure that:

- new businesses are able to enter and thrive in the tourism industry,
- there are as many meaningful opportunities for new businesses to develop and thrive in as many municipalities as possible,
- those who were previously excluded and currently remain marginalised and disadvantaged, are given an opportunity to participate in the tourism industry, and
- there is a fair and supportive business environment.

Enterprise Development in the form of the tourism tiered support strategy addresses the needs of the full spectrum of entrepreneurs in the industry, from entry level and necessity entrepreneurs to established and employment creating enterprises. Enterprise Development will:

- create an enabling environment for emerging tourism businesses to thrive,
- undertake tourism enterprise development outreach programmes in partnership with the RED Door, Tourism Helpdesks (THDs) and other stakeholders, and
- adapt the programme so that it can cater for a greater throughput.

LED in tourism will be achieved in the B and C municipalities through the Plek Plan, the department's local economic development initiative, and the tourism enterprise development programme by:

- providing tourism business development expertise to the Plek Plan operatives to facilitate and accelerate the development of tourism businesses, especially for the previously disadvantaged and currently marginalised,
- undertaking tourism LED outreach programmes through the RED Door to ensure that as many potential entrepreneurs and interested communities are aware of our programmes,
- fast-tracking elements of the revised ITDF that will enhance LED, and

- strengthening the capacities of B and C municipalities, Regional Tourism Organisations [RTOs] and Local Tourism Organisations [LTOs] to play their roles in tourism optimally.

To ensure a regulated and fair business environment within the tourism industry:

This sub-programme is responsible for:

- providing tourist guiding registration and development services,
- exerting influence to ensure the timeous issuing of tour operator licences,
- regulating some aspects of tourism enterprises,
- promoting a fair, conducive and supportive business environment for tourism businesses and potential businesses, and
- exploring the possibilities of the registration of tourism enterprises.

To promote social and environmental tourism issues within the tourism industry:

This sub-programme is responsible for:

- promoting awareness by citizens of their role in tourism,
- providing access to the host community to experience tourism,
- protecting the host community in relation to culture and heritage,
- promoting the concept of pro-poor tourism and or social tourism,
- promoting the concept of responsible tourism,
- protecting resources which are critical to a thriving tourism industry,
- protecting the environment, including water resources, in the light of increasing tourism densities, for example, golf courses, and
- dealing with industry specific socio-economic issues.

Measurable objective	Performance measure or indicator	2007/2008 (estimate)	2008/2009 (estimate)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2009/2010 (target)	2010/2011 (target)
Implementation of Tourism Help Desks (THDs) (CTRU)	Number of participants on Tourism Outreach Programmes (TOPS)	3980 Beneficiaries	4 500	1 000	1 000	1 250	1 250	4 500	4 500
Implementation of the Tourism Business Management Programme (TBMP) (CTRU)	Number of entrepreneurs	148 Beneficiaries	Beginners				Beginners	Beginners	Beginners
			250				250	250	250
			Intermediate				Intermediate	Intermediate	Intermediate
			40				Advanced	Advanced	Advanced
			40				40	40	50
Implementation of the Tourism Fast Track Programme (TFTP) (CTRU)	Number of entrepreneurs	23	25				25	30	40
Implementation of the Tourism Mentorship Programme (TMP) (CTRU)	Number of entrepreneurs	11	15				15	20	25

Measurable objective	Performance measure or indicator	2007/2008 (estimate)	2008/2009 (estimate)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2009/2010 (target)	2010/2011 (target)
Develop and implementation of the tourism BBBEE strategy	Consultation workshops to refine the strategy		5	2	3				
	Stakeholder Awareness sessions		8	2	2	2	2	8	10
	Concept finalization					4		6	8
	Implement projects						1	2	3
Maintain a database of registered tourist guides	Number of new guides on database		750	150	150	225	225	1 500	1 500
	Number of re-registered guides on database		1 500	375	375	375	375	2 000	2 500
	Number of guides registered on database	3 500	3 800				3 800	4 100	4 400
To minimise the utilization of illegal tourist guides through increased public awareness	Number of public awareness interventions		8	2	2	2	2	10	15
	Number of pamphlets distributed	2 500	3 000	750	750	750	750	2 500	3 000
	Number of inspections at attractions	2	8	2	2	2	2	8	12

Measurable objective	Performance measure or indicator	2007/2008 (estimate)	2008/2009 (estimate)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2009/2010 (target)	2010/2011 (target)
To promote and encourage transformation within tourist guiding	Increase number of black tourist guides	Approximately 350 black guides on database	50	10	10	15	15	80	100
	Number HDI tourist guides trained	30	50	10	10	15	15	80	100
	Number of HDI tourist guides upskilled	37	50	25		25		60	60
Create awareness on tourist guiding	Number of events to celebrate the contribution of tourist guides to the industry	1	1				1		
	Number of newsletters produced	4	4	1	1	1	1	1	1
Promote awareness by citizens of their role in tourism	Number of beneficiaries of the Access to the Cape Project (HDI)	200 beneficiaries programmes	300		100	100	100	100	100
	Provincial tourism awards	1					1	1	1
	Number of responsible tourism awareness campaigns in historically disadvantaged communities.		3		1	2		2	3
	Number of cultural and heritage tourism awareness campaign		1		1				

8.3 SUB-PROGRAMME 6.4: DESTINATION MARKETING ORGANIZATION

Specified policies, priorities and strategic objectives

The Destination Marketing Organisation (DMO), trading as Cape Town Routes Unlimited, derives its mandate directly from the Western Cape Tourism Act (Act 1 of 2004). The main priorities and strategic objectives are clearly articulated in the Act and state that the DMO is responsible for ensuring effective marketing of the destination, in terms of MICE marketing, events marketing, leisure marketing, visitor and support services, and new tourism product development.

The DMO has refined its role to focus on its core mandate, marketing, as follows:

- through its marketing programs, **create high levels of awareness** amongst potential international and domestic visitors to Cape Town and the Western Cape as a preferred leisure, business and events destination,
- further **enhance the brand equity** of Cape Town and the Western Cape by capitalizing on positive events, mitigating negative perceptions and getting all stakeholders to support a collective brand,
- **promote the spread of tourism economy** to all areas and communities, especially those with a dire need of economic and social improvement,
- **make the most of the inherent cross-synergies** between leisure, MICE and events tourism and between tourism and other economic sectors, such as film, agriculture, arts, technology, etc.,
- **get the community at large to have a positive attitude** towards tourism, to act responsibly and to support the destination brand,
- **improve technology capabilities** and systems to capitalize on the growing power of the Internet and electronic communication, and
- **maximize the marketing opportunities associated with 2010** as a catalyst for a long-term growth framework.

Measurable objective	Performance measure or indicator	2007/2008 (estimate)	2008/2009 (estimate)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2009/2010 (target)	2010/2011 (target)
To be a major contributor in influencing as many visitors as possible to decide to visit Cape Town and the Western Cape and to encourage the sustained growth of spend and yield	Year on year increase in destination brand awareness in key international markets as measured by the international brand tracking study	-	Base year (study to be conducted in 2008)				Study completed	5% as measured against all major international destinations	10%
	Year on year increase in destination brand awareness in the domestic market as measured by the annual domestic destination brand tracking study	34%	39%				39%	45%	50%
To contribute towards the increase of the regional spread of tourism activities throughout the Western Cape province 365 days of the year	Proportion of total international tourists visiting other regions beyond Cape Town as measured by the visitor tracking studies and arrival figures	592,000 of 1.69m arrivals	803,000 of 2,05m arrivals				803,000 of 2,05m arrivals	50%	55%+
	Proportion of domestic trips to other regions beyond Cape Town as measured by the visitor tracking studies and arrival figures	813,000 of 3.2m trips	1.01m of 3.4m trips				1.01m of 3.4m trips	45%	50%
Increase low season (May-September) Tourism business.	Proportion of visitors coming to the destination during the period May to September as measured by monthly arrival data	705,405 of 1,69m arrivals	964,000 of 2,04m arrivals				964,000 of 2,04m arrivals	30%	30%

Measurable objective	Performance measure or indicator	2007/2008 (estimate)	2008/2009 (estimate)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2009/2010 (target)	2010/2011 (target)
To contribute in everything we undertake to the establishment and maintenance of an inclusive and equitable industry benefiting emerging entrepreneurs and destinations	Increased participation of women, youth and black people in the industry and development of new product experiences	15 SMEs	20 SMEs	5 SMEs	5 SMEs	5 SMEs	5 SMEs	30 SMEs	35 SMEs
		Benchmark established in 2007	Return on investment of R2,5 for every R1 put into marketing	4	4	4	4	16	R3
To promote the use of cutting edge technology in the marketing of the destination - establishment of an effective and efficient marketing team in order to position the DMO as the authoritative marketing agency in the province	Increase return on investment from marketing activities including: JMIs, marketing campaigns, trade promotions, collateral distribution, familiarization trips	12	16	4	4	4	4	16	20
		MSA Index value: 30%	35%					35%	45%
Establishing and instilling good corporate governance practices thereby attracting greater funder and stakeholder confidence	Increase % of corporate governance issues (raised by the AG) successfully addressed by management	75%	100%					100%	100%
		big partnerships, R2 million	4 big partnerships, R3 million	1 big partnership, R800 000	-	2 big partnerships, R500 000	1 big partnership, R700 000	10 big partnerships, R6 million	6 big partnerships, R4 million

Measurable objective	Performance measure or indicator	2007/2008 (estimate)	2008/2009 (estimate)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2009/2010 (target)	2010/2011 (target)
To leverage off the unprecedented marketing opportunities offered by the 2010 FIFA World Cup to the advantage of the destination and its people	Exploiting all 2010 marketing platforms to create increased awareness of the destination	Participate in 14 international tourism exhibitions and roadshows showcasing the 2010 World Cup Organised and participated in Soccerex 2007 in Johannesburg	Participate in 14 international tourism exhibitions and roadshows showcasing the 2010 World Cup Organised and participated in Soccerex 2008 in Johannesburg	3	3	4	4	Monitor and evaluate effectiveness of interactive marketing platforms in showcasing the 2010 FIFA World Cup	-

8.4 RECONCILIATION OF BUDGET WITH PLAN (R'000)

Sub-programme	Year - 2 2005/2006 (actual)	Year - 1 2006/2007 (actual)	Base year 2007/2008 (estimate)	Year 1 2008/2009 (budget)	Year 2 2009/2010 (MTEF projection)	Year 3 2010/2011 (MTEF projection)
Management	711	1 288	2 478	2 966	3 119	3 252
Tourism Growth	7 231	2 239	9 719	10 344	10 717	10 859
Tourism Participation	2 309	16 657	9 001	6 235	8 814	9 975
DMO	26 850	22 947	25 689	26 900	27 100	29 300
Total programme	37 101	43 131	46 887	46 445	49 750	53 386

8.5 COORDINATION, COOPERATION AND OUTSOURCING PLANS

Interdepartmental linkages

While a major purpose of the Tourism Programme is to increase the spread of benefits offered by the tourism industry to all citizens within the Western Cape, the major challenge facing the programme is the fact that little core functionalities actually resides within the Department of Economic Development and Tourism. To overcome this barrier, the programme has to rely heavily on creating partnerships in order to gain buy-in from various state institutions. To overcome this, the WCTDP was established to coordinate and gain the cooperation of various partners in the industry.

Key roleplayers in the partnership include both provincial and local government as well as business, labour and civil society. Key inter-departmental linkages has been developed with the Department of Environmental Affairs and Tourism (DEAT), Western Cape Department of Community Safety, Department of Labour, Western Cape Education Department, as well as various provincial entities such as CASIDRA, Wesgro, Cape Nature Conservation, Cape Town Routes Unlimited and the RED Doors.

Local government linkages

Similarly with the inter-departmental linkages, the Tourism Programme will not succeed without the cooperation and active participation of local government in the WCTDP. This linkage is most noted during the ITDF review process where recommended areas were identified for further development.



9. MEDIUM-TERM REVENUES

9.1 SUMMARY OF REVENUE

The following sources of funding are used for the Vote:

R' 000	2005/2006 (actual)	2006/2007 (actual)	2007/2008 (estimate)	2008/2009 (budget)	2009/2010 (MTEF projection)	2010/2011 (MTEF projection)
Equitable share	137 378	161 770	195 054	211 874	245 261	270 463
Financing		2 563	3 500	2 600		
Own revenue	4 628	11 165	6 832	4 770	4 770	4 770
Total revenue	142 006	175 498	205 386	219 244	250 031	275 233

9.2 DEPARTMENTAL REVENUE

R' 000	2005/2006 (actual)	2006/2007 (actual)	2007/2008 (estimate)	2008/2009 (budget)	2009/2010 (MTEF projection)	2010/2011 (MTEF projection)
Current revenue	4 628	11 165	6 559	4 770	4 770	4 770
Tax receipts	4 298	4 218	4 500	4 500	4 500	4 500
Non-tax receipts	330	6 947	2 332	270	270	270
Capital revenue						
Total revenue	4 628	11 165	6 559	4 770	4 770	4 770

10. PUBLIC ENTITIES

The department currently has three (3) public entities that report to it. These are:

- Western Cape Trade and Investment promotion Agency (WESGRO),
- Destination Marketing Organisation (DMO) trading as the Cape Town Routes Unlimited, and
- Western Cape Liquor Board.

The Western Cape Trade and Investment Promotion Agency (WESGRO) were established under the Western Cape Investment and Trade Promotion Agency Law, 1996. The purpose of the establishment was to recognize the role the provincial government play in attracting investment to the province, as well as the need to involve all role-players, such as private business and other organs of the state, to this endeavour.

The Western Cape Tourism Act, 2004 provided for the establishment of DMO now trading as Cape Town Routes Unlimited. The purpose of this institution is to provide for the effective marketing of Cape Town and the Western

Cape thereby ensuring that the Western Cape is established as a destination of choice and can therefore fully take advantage of the ever-growing global tourism industry.

The Liquor Act, (Act 59 of 2003), came into effect on 13 August 2004 and replaced the current Liquor Act, (Act 27 of 1989), for national functions while retaining it as transitional measure for provincial functions. It introduced a three-tier system into the liquor industry and regulates the manufacturing and distribution tier. The act provided for the devolution of functions relating to the distribution tier to the provincial minister and it provides for the establishment of a Provincial Liquor Licensing Authority.

Name of public entity	Purpose	Transfers from the departmental budget R' 000		
		2008/2009	2009/2010	2010/2011
Wesgro	The purpose of this public entity is to recruit investment to and promote trade with Western Cape enterprises	13 200	15 700	20 900
DMO	The purpose of this public entity is to market Cape Town and the Western Cape, thereby ensuring that the Western Cape is a leading destination of choice globally	27 000	28 000	29 000
WC Liquor Board	The purpose of the WC Liquor Board is to provide for the regulation of the liquor industry in terms of the Liquor Act, 2003 and ensure that the industry is developed in a socially responsible manner.			

11. FINANCIAL MANAGEMENT

11.1 Strategies to address audit queries

Processes implemented to manage audit findings of the previous financial year were reviewed and evaluated by management. Corrective action to address shortcomings are recommended and implemented to ensure that controls and procedures to prevent a re-occurrence of similar audit queries are in place. These are furthermore reviewed on a regular basis to ensure compliance as well as to assess the effectiveness of these corrective steps.

Besides the audit queries raised by the Office of the Auditor-General, management also evaluates and reviews internal audit and internal control reports. Based on the findings of these reports, management will ensure that, although controls and procedures are implemented, personnel comply and are aware of amendments to these prescripts. This is conducted through numerous training sessions.

Financial management is an important component in the delivery of programs and services and exercising stewardship over the resources provided.

It is essential that procedures to manage and protect the integrity of data and information required for producing information to management and needed by managers to conduct their day-to-day business and account for their responsibilities, are of exceptional quality.

It is a departmental culture to ensure that financial management is the responsibility of every person in the organization. In carrying out their duties, all managers are responsible for considering the financial implications of their actions and for managing their resources in a cost effective way

With regard to reporting that can be relied upon and regulations complied with, the department conducts monthly inspections, concentrating on significant areas identified as well as performing the inspections on a biannual basis, which will address all inspection areas within the department. The purpose of inspections is to ensure that all officials comply with legislation, and policies and procedures applicable to the department, and to identify possible weaknesses and risks in terms of the department's policies and procedures. In circumstances where weaknesses and risks are identified, the policies and procedures are reviewed in order to mitigate the weaknesses and risks identified. Furthermore, internal control promotes a structured training programme to ensure that all officials are aware of the department's policies and procedures. All the policies and procedures have been consolidated in a policy document, namely, the Financial Manual, on which training is provided biannually. The department also conducts training with respect to new officials employed in the department by way of its induction programme. The Financial Manual is reviewed annually and amended accordingly in line with new legislation or weaknesses and risks identified.

The internal control framework has been implemented in the department in terms of providing officials with appropriate training and capacity to ensure that all officials perform their functions effectively and efficiently, and that reported information can be relied upon. Through post audits and monthly and annual inspections, the Internal Control Unit ensures authorization delegations are followed, there is adequate segregation of duties, reconciliations are conducted as required by legislation, and there is adequate physical security of assets. Further consideration must be given to the fact that certain policies and procedures are in line with legislation and cannot be amended by the department.

Completeness of liquor license income

In terms of section A.2.5 regarding the liquor license income, the Western Cape Liquor Bill (B8-2005) makes provision for the collection of fees by the Board through the department, rather than through the collecting agent, SARS. This legislation now appears likely to be passed into law only during the first quarter of 2007, and to be promulgated in the quarter thereafter, after the regulations have been drawn up. The reconciliation between liquor licences issued and liquor licence fees collected will thus be implementable and will therefore be reconciled.

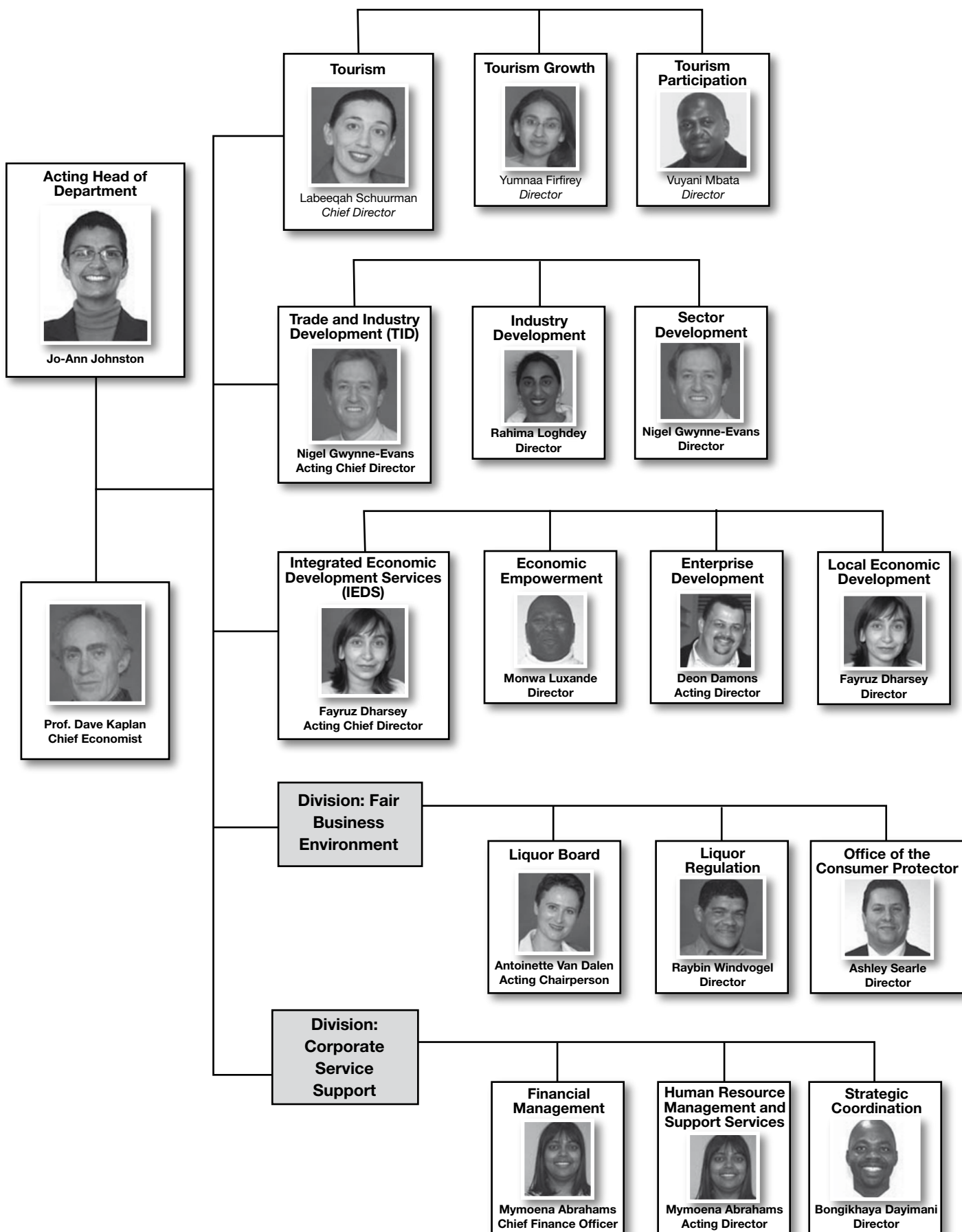
The administration continues in its efforts to ensure that it is able to reconcile the receipts received from SARS with the income raised by the liquor licensing system upon the issuing of licences and renewal notices. In the interim, the department has consulted with officials from SARS to discuss the collection of income and to possibly provide the department with information pertaining to liquor licence holders and the amounts received by SARS from the licence holders. It was agreed that SARS will provide this department with supporting documents to assist with the reconciliation process.

Furthermore, with the enactment of the new Liquor Act, it is proposed that the collection agent for license fees be changed from SARS to the department as the only collection agent until such time as the Liquor Board is fully established as an independent agency. Systems for the recording of license fees will be upgraded allowing the department greater competencies in reconciling license fee income with actual licenses applied for and issued.

11.2 IMPLEMENTATION OF THE PUBLIC FINANCE MANAGEMENT ACT, 1999

The department regards compliance with the PFMA Act as a priority. The department has a structured implementation plan and reports quarterly to the provincial treasury regarding progress made with the implementation of the Public Finance Management Act.

Department of Economic Development and Tourism



AMTL	Advanced Manufacturing Technology Laboratory
APP	Annual Performance Plan
ASGISA	Accelerated Shared Growth Initiative of South Africa
BPO	Business Process Outsourcing
CCTC	Cape Clothing and Textile Cluster
CITI	Cape IT Initiative
CMaTS	Correspondence Management and Tracking System
CMT	Cut Make and Trim sector
CSP	Customised Sector Programme
CtC	CallingtheCape
DEAT	Department of Environmental Affairs and Tourism
DEDT	Department of Economic Development and Tourism
DMO	Destination Marketing Organisation
DOPMS	Departmental Operational Performance Management System
DST	Department of Science and Technology
DTM	Departmental Top Management
EDS	Integrated Economic Development Services
EE	Economic Empowerment
EMC	Executive Management Committee
HCDS	Human Capital Development Strategy
HDI	Historically Disadvantaged Individual
IAT	Institute for Advanced Tooling
iKapa GDS	Western Cape's Growth and Development Strategy
ILO	International Labour Organisation
IRP	Institutional Review Process
ITDF	Integrated Tourism Development Framework
LED	Local Economic Development
MEDS	Micro-economic Development Strategy
MSA	Monitoring South Africa
NIPF	National Industrial Policy Framework
NSDP	National Spatial Development Perspective
NSI	National System of Innovation
OC	Oversight Committee
OCP	Office of the Consumer Protector
PAMTS	Provincial Advanced Manufacturing Technology Strategy
PDC	Provincial Development Council
PFMA	Public Finance Management Act, 1999
PGDS	Provincial Growth and Development Strategy
PGDP	Provincial Growth and Development Plan
PSI	Provincial System of Innovation
PWMES	Provincial-wide Monitoring and Evaluation System
REAF	Rural Economic Assistance Fund
RED	Real Enterprise Development
SDIP	Service Delivery Improvement Plan
SET	Science Education and Training
SME	Small and Medium Enterprise
SPVs	Special Purpose Vehicles
TBMP	Tourism Business Management Programme
TDFS	Total Foreign Direct Spend
TFTP	Tourism Fast Track Programme
THD	Tourism Helpdesk
TID	Trade and Industry Development
TMP	Tourism Mentorship Programme
TOPS	Tourism Outreach Programmes
WCAOA	Western Cape Association of Advice offices



WCTDF	Western Cape Tourism Development Framework
WCTDP	Western Cape Tourism Development Partnership
WESGRO	Western Cape Trade and Investment promotion Agency
WFD	Workforce Development
WFDI	Workforce Development and Innovation

